



सत्यमेव जयते

Ministry of Housing and Urban Affairs
Government of India

Compendium of House Building Advance (HBA) Rules and FAQs



As on 31.07.2025

Nirman Bhavan, New Delhi
Dated: 6th August, 2025

OFFICE MEMORANDUM

Subject: Compendium of the HOUSE BUILDING ADVANCE (HBA) Rules - reg.

The Ministry of Housing and Urban Affairs (MoHUA), as the Nodal Ministry for the House Building Advance (HBA) scheme, oversees the policies, rules, and regulations governing the provision of House Building Advance to Central Government employees. Housing-III section is responsible for formulating these rules and addressing any amendments or clarifications.

2. In this regard, it is stated that various OMs/Orders have been issued on the subject by this Ministry from time to time since 1956. However, it has been observed that there is no compilation of OMs/Orders available for Government employees for their reference.

3. In view of the above, it has been decided to compile existing and relevant HBA rules, OMs, and Orders into one cohesive document (**ANNEXURE-I**). This document also features a set of Frequently Asked Questions (FAQs) based on common inquiries, allowing employees to address their queries (**ANNEXURE-II**).

4. This issues with the approval of the Competent Authority.



(Sanjeet)
Joint Secretary & Financial Advisor (HUA)
Tel. No. 011-23062899

To

1. Secretaries of all the Ministries/Department of the Government of India
2. All the attached and subordinate offices of Ministry of Housing & Urban Affairs.
3. Union Territories of Andaman & Nicobar Islands, Chandigarh, Dadra and Nagar Haveli and Daman & Diu, Lakshadweep.
4. Office of the Comptroller and Auditor General of India.
5. Registrar, Supreme Court of India.

COMPENDIUM OF HOUSE BUILDING ADVANCE (HBA) RULES AND FAQs

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COMPENDIUM OF THE HOUSE BUILDING ADVANCE (HBA) RULES

The consolidated and updated rules/guidelines on House Building Advance (HBA) are as follows:

I. Introduction:

Grant of House Building Advance for Central Government employees is regulated in terms of rules and regulations laid down from time to time by Ministry of Housing & Urban Affairs (erstwhile Ministry of Urban Development).

II. Purpose:

House Building Advance (HBA) is admissible to an employee for only one of the following purposes:-

i. Constructing a new house on the plot owned by the employee or the employee and employee's spouse jointly with clear title of the plot

[\(I-17011/6\(3\)/13/2018-H.III dated 01.08.2018\).\(pg15\)](#)

ii. Purchasing a plot and constructing a house thereon.

iii. Purchasing a plot under co-operative Schemes and constructing a house/flat thereon or acquiring a house through membership of Cooperative Group Housing Societies.

iv. Purchase/construction of house under the self-financing schemes of Delhi Bangalore, UP, Lucknow etc.

v. Outright purchase of a new ready-built house/flat from Housing Boards, Development Authorities and other statutory or semi-Government bodies and from registered builders i.e., registered private builders, architects, house building societies, etc., but not from private individuals.

vi. Expansion of living accommodation of an existing house owned by the employee or jointly with spouse. The total cost of the existing structure (excluding cost of land) and the proposed additions should not exceed the prescribed cost ceiling under these rules.

vii. Repayment of loan or advance taken from a Government or HUDCO or private sources even if the construction has commenced, subject to certain conditions.

viii. Existing employees who have already taken Home Loans from Banks and other financial institutions are allowed to migrate to this scheme, subject to fulfillment of extant conditions.

ix. Constructing only, residential portion of the building on a plot earmarked for a shop-cum-residential plot, in a residential colony, subject to prescribed cost ceiling.

III. Eligibility:

i. All permanent government employees.

ii. All other employees with at least 5 years of continuous service, provided they do not hold permanent appointment under a State Government and the sanctioning authority is satisfied about their likely retention in service till the house is built and mortgaged.

iii. Members of All India Services deputed for service under the Central Government/Company/Association/Body of individuals whether incorporated or not, which is wholly or substantially owned or controlled by the Central Government or an International Organization, and autonomous body not controlled by Government or Private Body.

iv. Employees of Union Territories.

v. Staff/ Artistes of the All India Radio who fulfil the condition prescribed at (ii) above and have been appointed in long term contracts extending to the age as per extant rules.

vi. Central government employees governed by the Payment of Wages Act, 1936.

vii. Central government employees on deputation to another Department or on Foreign Service, such cases to be processed by the Head of the Office of the Parent Department.

viii. Extant rules for eligibility conditions of Ex-servicemen and of central government employees under suspension remains unchanged.

Note: In cases where both the spouses are central government employees and both are eligible for grant of House Building Advance, the advance will be admissible to both of them jointly/ separately.

[\(OM No. I.17011/11\(4\)/2016-H-III dated 09.11.2017\)\(pg 16-21\)](#)

IV. Cost Ceiling Conditions:

Cost of the house to be built/purchased (excluding the cost of plot) should not exceed 139 times of the basic pay of the employee subject to a maximum of Rs.

1.00 crore (one crore) only. In individual cases, if the Administrative Ministry is satisfied on the merits of the case, the cost ceiling may be relaxed up to a maximum of 25% by the Head of the Department.

[\(OM No. I.17011/11\(4\)/2016-H-III dated 09.11.2017\) \(pg 16-21\)](#)

V. Amount of Advance:

i. Only one advance shall be sanctioned to the government servant during his/her entire service.

ii. The maximum amount of advance shall be:

a) 34 months basic pay subject to a maximum of Rs. 25.00 lakhs only (Rs. Twenty five lakhs), or cost of the house/flat, or the amount according to repaying capacity, whichever is the least for construction/purchase of new house/flat.

b) For expansion of existing house, the amount of HBA will be limited to 34 months basic pay subject to maximum of Rs. 10.00 lakhs only (Rs. Ten lakhs), or the cost of the expansion, or the amount according to repaying capacity, whichever is the least.

c) The amount of the advance shall be restricted to 80% of true cost of the land and construction of house or cost of expansion of living accommodation in the case of construction in rural areas. This can be relaxed and 100% can be sanctioned if the Head of the Department certifies that the concerned rural area falls within the periphery of town or city.

[\(OM No. I.17011/11\(4\)/2016-H-III dated 09.11.2017\). \(pg 16-21\)](#)

iii. In cases where both the spouses are central government employees and both are eligible for grant of House Building Advance, the advance will be admissible to both of them jointly/ separately subject to maximum amount of advance as mentioned in above point separately to both of them.

iv. Family Pension at normal rates drawn by a Government servant will be clubbed with Basic Pay in computing of House Building Advance as well as determining the cost ceiling limit and repaying capacity.

[\(Order No. I/17015/6/83/H.III dated 07.04.1984 \).\(pg 22-26\)](#)

v. Non-practicing allowance sanctioned for medical posts may be treated as 'Basic Pay' for the purpose of House Building Advance.

[\(Order No. I/17011/3/86/H.III dated 01.08.1989\). \(pg27\)](#)

VI. Repayment Capacity:

i. For the purpose of calculating the admissible loan amount, the repayment capacity of the central government employee shall be calculated as below:

a)	In cases of employee retiring after 20 years.	40% of basic pay.
b)	In cases of employee retiring after 10 years but not later than 20 years.	Up to 40% of basic pay. 65% of DCR Gratuity may also be adjusted.
c)	In cases of employee retiring within 10 years.	Up to 50% of basic pay DCR Gratuity up to 75% can be adjusted.

[\(OM No. I.17011/11\(4\)/2016-H-III dated 09.11.2017\). \(pg 16-21\)](#)

VII. Applicable Rate of Interest and Methodology of Recovery of House Building Advance:

i. The Interest on Housing Building Advance for the financial year 2024-25 shall be 7.44%.

[\(Order No. I-17015/2\(2\)/2024/H.III/30 dated 27.03.2025 \). \(pg28\)](#)

ii. The interest rate shall be reviewed every Financial Year in consultation with Ministry of Finance (As per present practice).

iii. All cases of subsequent tranches/instalments of HBA being taken by the employee in different financial years shall be governed by the applicable rate of interest in the year in which the HBA was sanctioned, in the event of change in the rate of interest.

iv. The methodology of recovery of HBA shall continue as per the existing pattern of recovery of principal first in the first fifteen years in not more than 180 monthly instalments and interest thereafter in next five years in not more than 60 monthly instalments.

v. The advance carries simple interest from the date of payment of first instalment. Interest is calculated on the balance outstanding on the last day of each month

[\(Order No. 10/15/69-H.III dated 21.09.1970 \).\(pg 29-30\)](#)

Note: The clause of adding a higher rate of interest at 2.5% (two point five percent) above the prescribed rate during sanction of House Building Advance, as reproduced below, stands withdrawn.

"Sanction Order should stipulate the interest 2.5% over and above the scheduled rates with the stipulation that, if conditions attached to the sanction including those relating to the recovery of amount are fulfilled completely to the satisfaction of competent authority, a rebate of interest of the extent of 2.5% will be allowed".

VIII. Disbursement:

i. Advance for purchase of ready built house/flat can be paid in one lump sum as soon as the applicant executes an agreement in the prescribed form. The employee should ensure that the house is purchased and mortgaged to the Government within 3 months of drawl of the advance.

ii. Advance for purchase ready built flat/construction of House may be paid either in one lump sum or in convenient instalments at the discretion of the Head of Department. The employee should execute the agreement in prescribed form before the advance/first instalment of advance is paid to him/her. The amount drawn by the employee should be utilized for the purchase of flat/ construction of house within one month.

iii. Advance for construction/expansion of living accommodation, etc., shall be payable in two instalments of 50% each. The first instalment will be paid after the plot and proposed house/existing house is mortgaged and the balance on the construction-reaching plinth level.

iv. Advance for expansion to be carried out on the upper storey of the house will be disbursed in two instalments, first instalment on executing the mortgage deed and the second instalment on the construction reaching roof-level.

v. In the case of advance for purchase of plot and construction of house thereon, the advance will be disbursed as below:

(a)Single Storeyed House: After agreement in prescribed form is executed on production of surety bond, 40% of the advance or actual cost will be disbursed for purchase of plot. The balance amount will be disbursed in two equal instalments, first after the mortgage is executed and second on the construction reaching plinth level.

(b)Double Storeyed House: 30% of advance for cost of plot will be disbursed on executing the agreement. The balance amount will be disbursed in two equal instalments, the first on executing the mortgage deed and the second on construction reaching plinth level.

[\(OM No. I.17011/11\(4\)/2016-H-III dated 09.11.2017\). \(pg 16-21\)](#)

IX. Recovery of HBA:

i. The recovery should commence as follows:

a) In the case of advance for purchase of land and construction of house, from the pay of the month following the completion of the house or from the pay of 24th month after the date on which advance for purchase of plot was paid, whichever is earlier.

b) In a case of advance for construction of house, from the pay of the month following the completion of the house or from the pay of 18th month after the date of disbursement of first instalment of the advance, whichever is earlier.

c) In the case of advance for purchase of ready-built house/flat, from the pay of the month following that in which the advance is drawn.

[\(Order No. I/17011/9/72-H.III dated 24.03.1973\).\(pg 31-32\)](#)

ii. In such case where a Government servant dies while in service and a portion of the outstanding balance of the advance is to be set off against the death-cum-retirement gratuity admissible to his successor, no interest should be charged on the amount of the advance thus adjusted against death-cum-retirement gratuity, beyond the death of the Government servant.

[\(Order No. 10/15/59-HIV dated 15.04.1965 \). \(pg 33\)](#)

iii. In such cases where amount of advance or the balance amount of advance, as the case may be, is refunded in one lump sum, the recovery of interest commences from the month following the month in which the advance is refunded in lump sum and that the same is not postponed, under any circumstances, till the amount of advance is worked out by the concerned authorities and intimated to the loanee, for payment in one lump sum.

[\(Order No. I/17011/1/71-H.III dated 22.02.1971\). \(pg 34-35\)](#)

iv. If a Government servant ceases to be in service for any reason other than normal retirement/superannuation or if he dies before repayment of the advance in full, the entire outstanding amount will become payable forthwith

[\(Order No. I/17015/23/H.III/85 dated 03.09.1986 \).\(pg 36\)](#)

viii. In such cases where employees are permanently absorbed in Public Sector Undertakings where pension scheme is in operation, it has been decided that:

a) since on the date of the absorption of a Government servant in an autonomous body, the Government will discharge its pensionary liability by paying in one lump sum, as a onetime payment, the pro-rata pension/service

gratuity and DCRG for the service rendered by the Government servant, the outstanding amount of HBA along with interest shall be deducted out of the total amount so payable by the Government to the autonomous body.

b) Thereafter, if any balance is still outstanding against the employee it will be recovered in instalments by the autonomous body for which an undertaking will be given by the concerned organization/body saying that it will ensure the recovery of balance of HBA including interest thereon, in monthly instalments from the employee and remit it to the AO responsible for watching its recoveries.

[\(Order No. I/17015/23/H.III/85 dated 03.09.1986 \). \(pg36\)](#)

X.Mortgage and Creation of Second Charge:

i. House shall be mortgaged on the behalf of President of India. However, the employee, if he wishes to take a second charge to meet the balance cost of the house/ plot or flat from recognized financial institutions, then he/ she may declare the same and apply for NOC at the time of the applying for HBA. NOC for second charge will be given along with sanction order of HBA. The total loan from HBA and from all other sources cannot be beyond ceiling cost of the house as defined under para 4 above.

ii. In case if HBA is availed by both husband/wife jointly;

a) HBA Mortgage paper, insurance paper and other papers regarding property shall be submitted to one of the loan sanctioning authorities of their choice.

b) A No Objection Certificate may be obtained from the 2nd loan sanctioning authority.

c) The property mortgaged to behalf of President of India, shall be reconvened on the prescribed form to the central government employee concerned (or their successors in interest, as the case may be), after the advance together with interest thereon, has been repaid to Government in full and after obtaining No Demand Certificate in respect of HBA loan sanctioned by the 2nd loan sanctioning authority.

iii. Stamp duty on Mortgage Deed and Reconveyance Deed, wherever charged, has to be borne by the loanee Government servant and re-imbursement thereof is not admissible.

[\(Order No. I/17015/4/89-H.III dated 28.02.1989\). \(pg37\)](#)

XI. Insurance:

- i. Immediately on completion of construction/purchase of house/flat, the employee shall insure the house with the recognized institutions as approved by Insurance Regulatory and Development Authority (IRDA), for not less than the amount of advance and shall keep it so insured against damage by fire, flood and lightning till the advance together with interest thereon is repaid in full and deposit the policy documents with the Head of the Department (HoD). Renewal of insurance will be done every year and premium receipts produced for inspection of the HoD regularly.
- ii. Penal interest of 2% over and above existing rate of interest will be recovered from the employee for those periods which are not covered by insurance of the house.

XII. Migration:

For government employees who have already taken home loans from Banks/other Financial Institutions and wish to migrate to this scheme, following conditions will be applicable:

- i. Before granting such House Building Advance, the head of the Department;
 - a) should satisfy himself that the home loans were taken by the government employee entirely for the purpose of construction/purchase of new house/flat.
 - b) should ensure that the House Building Advance sanctioned is limited to the amount of loan still due to be repaid by the government employee.
- ii. House Building Advance can be availed towards repayment of bank loan taken for the purpose of construction /purchase of new house/flat.
- iii. Employee shall be eligible for grant of House Building Advance on the date he/she obtained loan from banks and other financial institutions, irrespective of whether they applied for House Building Advance before raising loan.
- iv. House Building Advance for repayment of loan shall be granted to the eligible employee in one lump sum. However, the Government employee shall produce HBA utilization certificate within one month from the date of release of HBA.
- v. Employee has to satisfy the other existing provisions related to House Building Advance.

[\(Order No. I-17011/11\(4\)/2016-H.III dated 31.01.2018\). \(pg 38-39\)](#)

XIII. Repayment:

Government servant can utilize the amount of House Building Advance for purpose of repayment of loan or advance taken from Government or HUDCO or private sources even if the construction has commenced.

(i) Before granting such House Building Advance, the Head of Department;

(a) should satisfy himself that the other loans were taken by the Government servant entirely for the purpose of construction/purchase of house/flat.

(b) should ensure that the House Building Advance sanctioned is limited to the amount of loan still due to be repaid by the Government servant.

(ii) House Building Advance in such cases will be admissible only to those govt. servants who before raising loan from non-govt. sources applied for HBA but could not be sanctioned the same due to paucity of funds.

(iii) The Government servant has to satisfy himself the provisions of Conduct Rules applicable to him. CCS (Conduct) Rules provide for declaration of sources of finance for such purpose, with full details thereof, the Head of Department can consult these declaration in this matter.

[\(Order No. I/17011/3/86/H.III dated 17.04.1989\)\(pg 40-41\)](#)

[\(Order No. I/17011/3/86/H.III dated 07.09.1990\)\(pg 42-43\)](#)

[\(Order No. I/17015/2/85-H.III dated 01.10.1991\)\(pg 44-45\)](#)

[\(Order No. I/17011/3/86/H.III dated 27.05.1992\)\(pg 46\)](#)

XXIV. Reconveyance Deed:

(i) After the advance, together with interest due thereon has been fully recovered, the property mortgaged as security for the advance, should be reconveyed to the Government employee as under:

(a) the Reconveyance Deed should be executed by the head of Department who generally accepts the Mortgage Deed on behalf of the President of India;

(b) the Reconveyance Deed should be got registered as Registration is compulsory under Section 17(1)(c) of the Registration Act, 1908;

(c) after the Reconveyance Deed has been executed and registered, the Mortgage Deed, the Sale Deed and such other documents deposited by the loaned should be returned to him and a receipt should be taken and kept on record along with a copy of the Reconveyance Deed.

[\(Order No. 10/1/68-H.III \(Pt\) dated 10.10.1968\).\(pg 47\)](#)

(ii) In case a Government servant dies intestate and House Building Advance taken by him has been fully recovered from the gratuity or otherwise, the mortgaged property should be reconveyed to one of the legal heirs of the deceased loanee, provided that other legal heir(s) if any, submit affidavit to the effect that they have no objection, if the mortgaged property is reconveyed to him/her.

XV.Maintenance of property:

i. The house/flat must be maintained in good repair by the Government servant at his own cost. He shall also keep it free from all encumbrances and shall continue to pay all the Municipal and other local rates and taxes regularly until the advance has been repaid to the Government in full. The Government servant shall furnish an annual certificate to this effect to the Head of the Department.

ii. After completion of the house, annual inspections may be carried out by any authorized officer under instructions from the Head of Department concerned, to ensure that it is maintained in good repair until the advance has been repaid in full. The Government servant concerned shall afford necessary facility for these inspections by the officer(s) designated for the purpose.

(Order No. H.II-27(5)/54 dated 12.04.1956)(pg 48-70)

XVI. Order of priorities for sanction of HBA:

House Building Advances may be sanctioned within the allocated funds according to the priorities as indicated below:

i. The first priority may be accorded to construction cases where commitments have already been made, i.e., 1st instalment has been released for construction and 2nd and subsequent instalments have to be released at plinth and roof levels.

ii. The second priority may be for those applicants who are due to retire shortly-say within next 5 years as any delay in their case will further reduce the period of recovery, thereby affecting the quantum of advance.

iii. The next priority may be accorded to applications for purchase of ready-built flats where the City Housing Boards, Development Authorities or even private parties have fixed a time limit for payment, and non-payment by the due date is likely to result in cancellation of allotment or offer to sell, in the case of latter, there is the risk of earnest money paid by the applicant being forfeited.

iv. In the last category may fall applications not covered by above.

(Order No. I/17015/50/77-H.III dated 03.11.1978)(pg 71-72)

XVII. Grant of HBA to employees under suspension:

i. An official under suspension is prevented from carrying out his normal duties but continues to be a Government servant, and received subsistence allowance, his other rights and obligations should not be affected. As such, the Central Government Servants, who are placed under suspension, continue to be eligible for advance and payment on this account can be made to them by the Head of the Department subject to the condition that collateral security in the shape of mortgage bond from two permanent Central Government Servants should be obtained so that in the event of default or belated payment or insufficient money being available by foreclosure etc. the shortage of recovery may be made up by collateral security

[\(Order No. I/17011/5/75-HIII dated 05.07.1975\).\(pg 73\)](#)

ii. The mortgagor of the required Deed that is permanent government servants who mortgage their property as Collateral Security in order to make the Government servant under suspension eligible for House Building Advance, will be required to bear the stamp duty.

[\(Order No. I/17012/1/89/H.III dated 12.12.1989\).\(pg 74\)](#)

XVIII. Other extant rules:

i. Interest rebate available to HBA beneficiaries for promoting small family norms stands withdrawn w.e.f. 01.07.2017.

[\(Order no. I-17011/11\(4\)/2016-H.III dated 31.01.2018\).\(pg75\)](#)

ii. An applicant for the House Building Advance, under these rules, shall not be eligible for such advance, if the applicant or his/her spouse or minor son(s) individually or jointly owns a house in the town/urban agglomeration in which a house is proposed to be constructed/purchased by the applicant:

Provided that if the house already so owned by the applicant as mentioned above is a coparcenary property belonging to HUF of which the applicant is a member or a joint property in which the applicant has a share or interest together with persons other than (or in addition to) his/her spouse or minor son(s), the applicant shall be eligible to House Building Advance not exceeding 60 percent of the amount which would otherwise have been normally admissible to him under these rules, for the construction/purchase of a house with the advance from the Government. For the purpose of this rule, 'House' will also include Flat.

[\(Order No. I/17015/6/83/H.III dated 08.01.1985\). \(pg 76-77\)](#)

(iii) The Central Government employees who construct/acquire houses/flats with the help of House Building Advance (HBA) are required to get these insured against fire, flood and lightning soon after completion/acquisition. The Heads of Department are empowered to condone the non-insurance for a period non exceeding two years. Cases involving condonation period exceeding two years are required to be sent to this Ministry for consideration.

[\(Order No. I/17015/12/85-H.III dated 16.06.1995\).\(pg 78-79\)](#)

(iv) All the Ministries and Department of the Government of India shall ensure that all the terms and conditions attached with the sanction of House Building Advance (HBA) to government employees under the rules including those relating to insurance and mortgage are duly complied with by all the concerned loanee government servants. Moreover, provisions have also been made for condonation/relaxation of these terms and conditions in cases where the circumstances are beyond the control of the loanee government servant and supported with concurrence of Finance Division and specific recommendation of the concerned Joint Secretary/Head of Department for condonation/relaxation of the provisions of the HBA rules/sanction with all the details in the prescribed proforma (ANNEXURE-I) along with all the supporting documents (ANNEXURE-II) certifying that the circumstances leading to non-compliance of HBA rules are beyond the control of the government servant

[\(O.M. No. I-17011/12/2002-H.III dated 03.10.2024\). \(pg 80-83\)](#)

XIX. Apart from above stated changes in relevant sections in the earlier version of House Building Advance rules, all other extant rules shall continue to apply untill further orders.

APPENDIX-A

Information required in cases of relaxation/condonation of terms and conditions of HBA sanction:

S.NO.	Requisite documents/Information	Responses
1	HBA sanctioning Ministry/Department	
2	i) HBA sanctioned amount ii) Year of sanction (copy of Sanction letter to be attached)	
3	Property details:- i) Type of property purchased and its address ii) Name of details of the seller agency iii) Date of completion of construction/date of possession of the property	
4	Possession letter of the flat or completion certificate of the house (copy to be attached).	
5	Is loanee still in service? Yes/No	
6	Present employer of the loanee	
7	All dues paid by loanee Government Servant? (Advance with interest & penal interest) Yes/No [Certificate in this regard is to be attached]	
8	Municipal taxes, if any, paid until the recovery of HBA	
9	Any other loans/advance exists for property in question? Yes/No	
10	Is Reconveyance Deed executed?	
11	Period of non-mortgage and non-insurance with details	
12	Request of the loanee Government Servant for condonation of the lapses with justification supported by documents.	
13.	Views of the HBA sanctioning Ministry/Department on justification for non-compliance of HBA rules. [A certificate in this regard is to be given by the concerned Ministry/Department duly certifying that the non-compliance of conditions of HBA sanction were beyond the control of the loanee Govt. Servant]	
14.	Is concurrence of Finance Division obtained? Yes/No	
15.	Is the case approved by JS (Admn)? Yes/No	

APPENDIX -B

Documents required in cases of relaxation/condonation of terms and conditions of HBA:

- i. HBA Sanction Order
- ii. Possession letter of the property
- iii. Mortgage Papers of the property
- iv. Insurance papers
- v. Reconveyance Deed
- vi. Request letter of the loanee for condonation of the lapses with justification supported by documents.
- vii. Certificate regarding payment of all dues including interest and penal interest by the loanee.
- viii. Municipal tax receipts if the property was not insured during the recovery of HBA.

I-17011/6(3)/13/2018-H.III
Government of India
Ministry of Housing & Urban Affairs
Housing-III Section

Nirman Bhawan, New Delhi,
Dated 1 .08.2018.

OFFICE MEMORANDUM

Subject: Clarifications regarding House Building Advance – reg.

The undersigned is directed to say that in partial modification to the Ministry of Housing & Urban Affairs OM No. I.17011/11(4)/2016-H.III dated 09.11.2017 regarding House Building Advance Rules – 2017, the competent authority has approved to modify the provision of para 2(i) in place of the existing provision.

2. Para 2(i) may be read as under:

"Constructing a new house on the plot owned by the employee or the employee and the employee's wife/husband jointly with the clear title of the plot".

3. All the other existing provisions in the said OM of even no. dated 09.11.2017 shall remain same.



(Shailendra Vikram Singh)
Director (IFD)
Tel:011-23062798

To

1. All the Central Government Offices/ Departments.
2. Copy to NIC to upload in the Ministry website.

I.17011/11(4)/2016-H-III
Government of India
Ministry of Housing & Urban Affairs
Housing-III Section

Nirman Bhawan, New Delhi,
Dated 09.11.2017.

OFFICE MEMORANDUM

Subject: House Building Advance Rules (HBA) – 2017.

The following House Building Advance Rules is in supersession of existing rules on the subject:

1. Introduction

Grant of House Building Advance for Central Government employees is regulated in terms of rules and regulations laid down from time to time by the Ministry of Housing & Urban Affairs (erstwhile Ministry of Urban Development). These rules are as under:

2. Purpose

House Building Advance (HBA) is admissible to an employee for only one of the following purposes:-

- i. Constructing a new house on the plot owned by the employee or spouse, either jointly or individually.
- ii. Purchasing a plot and constructing a house thereon.
- iii. Purchasing a plot under co-operative Schemes and constructing a house/ flat thereon or acquiring a house through membership of Cooperative Group Housing Societies.
- iv. Purchase/construction of house under the self-financing schemes of Delhi Bangalore, UP, Lucknow etc.
- v. Outright purchase of a new ready-built house/ flat from Housing Boards, Development Authorities and other statutory or semi-Government bodies and from registered builders i.e., registered private builders, architects, house building societies, etc., **but not from private individuals.**
- vi. Expansion of living accommodation of an existing house owned by the employee or jointly with spouse. The total cost of the existing structure (excluding cost of land) and the proposed additions should not exceed the prescribed cost ceiling under these rules.
- vii. Repayment of loan or advance taken from a Government or HUDCO or private sources even if the construction has commenced, subject to certain conditions.



- viii. Existing employees who have already taken Home Loans from Banks and other financial institutions are allowed to migrate to this scheme, subject to fulfillment of extant conditions.
- ix. Constructing only residential portion of the building on a plot earmarked for a shop-cum-residential plot, in a residential colony, subject to prescribed cost ceiling.

3. Eligibility

- i. All permanent government employees.
- ii. All other employees with at least **5 years** of continuous service, provided they do not hold permanent appointment under a State Government and the sanctioning authority is satisfied about their likely retention in service till the house is built and mortgaged.
- iii. Members of All India Services deputed for service under the Central Government/Company/ Association/Body of individuals whether incorporated or not, which is wholly or substantially owned or controlled by the Central Government or an International Organization, and autonomous body not controlled by Government or Private Body.
- iv. Employees of Union Territories and North East Frontier Agency.
- v. Staff/ Artistes of the All India Radio who fulfil the condition prescribed at (ii) above and have been appointed in long term contracts extending to the age as per extant rules.
- vi. Central government employees governed by The Payment of Wages Act, 1936.
- vii. Central government employees on deputation to another Department or on Foreign Service. Such cases to be processed by the Head of the Office of the Parent Department.
- viii. Extant rules for eligibility conditions of Ex-servicemen and of central government employees under suspension remains unchanged.

Note: In cases where both the spouses are central government employees and are both eligible for grant of House Building Advance, the advance will be admissible to both of them jointly/ separately.

4. Cost Ceiling Conditions -

- i. Cost of the house to be built /purchased (excluding the cost of plot) should not exceed 139 times of the basic pay of the employee subject to a maximum of Rs.1.00 crore (one crore) only. In individual cases, if the Administrative Ministry is satisfied on the merits of the case, the cost ceiling may be relaxed up to a maximum of 25% by the Head of the Department.



5. Amount of Advance

- i. Only one advance shall be sanctioned to the government servant during his/ her entire service.
- ii. The maximum amount of advance shall be:
 - a) 34 months basic pay subject to a maximum of Rs. 25.00 lakhs only (Rs. Twenty five lakhs), or cost of the house/flat, or the amount according to repaying capacity, whichever is the least for construction/purchase of new house/flat.
 - b) For expansion of existing house, the amount of HBA will be limited to 34 months basic pay subject to maximum of Rs.10.00 lakhs only (Rs. Ten lakhs), or the cost of the expansion, or the amount according to repaying capacity, whichever is the least.
 - c) The amount of the advance shall be restricted to 80% of true cost of the land and construction of house or cost of expansion of living accommodation in the case of construction in rural areas. This can be relaxed and 100% can be sanctioned if the Head of the Department certifies that the concerned rural area falls within the periphery of town or city.

6. Repayment Capacity

For the purpose of calculating the admissible loan amount, the repayment capacity of the central government employee shall be calculated as below:

a)	In cases of employee retiring after 20 years.	40% of basic pay.
b)	In cases of employee retiring after 10 years but not later than 20 years.	Up to 40% of basic pay. 65% of DCR Gratuity may also be adjusted.
c)	In cases of employee retiring within 10 years.	Up to 50% of basic pay DCR Gratuity up to 75% can be adjusted.

7. Applicable Rate of Interest and Methodology of Recovery of House Building Advance

- i. The Interest on Housing Building Advance for the financial year 2017-18 onwards shall be 8.50%. This shall be reviewed every three years to be notified in consultation with Ministry of Finance.
- ii. The methodology of recovery of HBA shall continue as per the existing pattern of recovery of principal first in the first fifteen years in not more than 180 monthly instalments and interest thereafter in next five years in not more than 60 monthly instalments. The advance carries simple interest from the date of payment of first instalment.
- iii. All cases of subsequent tranches/ installments of HBA being taken by the employee in different financial years shall be governed by the applicable rate of



interest in the year in which the HBA was sanctioned, in the event of change in the rate of interest.

Note: The clause of adding a higher rate of interest at 2.5% (two point five percent) above the prescribed rate during sanction of House Building Advance, as reproduced below, stands **withdrawn**.

"Sanction should stipulate the interest 2.5% over and above the scheduled rates with the stipulation that, if conditions attached to the sanction including those relating to the recovery of amount are fulfilled completely to the satisfaction of competent authority, a rebate of interest of the extent of 2.5% will be allowed".

8. Disbursement

- i. Advance for purchase of ready built house can be paid in one lump sum as soon as the applicant executes an agreement in the prescribed form. The employee should ensure that the house is purchased and mortgaged to the Government within 3 months of drawl of the advances.
- ii. Advance for purchase/ construction of new flat may be paid either in one lump sum or in convenient instalments at the discretion of the Head of Department. The employee should execute the agreement in prescribed form before the advance/ first instalment of advance is paid to him/ her. The amount drawn by the employee should be utilized for the purchase/ construction of the flat within one month.
- iii. Advance for construction/ expansion of living accommodation, etc., shall be payable in two instalments of 50% each. The first instalment will be paid after the plot and proposed house/ existing house is mortgaged and the balance on the construction-reaching plinth level.
- iv. Advance for expansion to be carried out on the upper storey of the house will be disbursed in two instalments, first instalment on executing the mortgage deed and the second instalment on the construction reaching roof-level.
- v. In the case of advance for purchase of plot and construction of house, the advance will be disbursed as below:
 - a) **Single Storeyed House:** After agreement in prescribed form is executed on production of surety bond, 40% of the advance or actual cost will be disbursed for purchase of plot. The balance amount will be disbursed in two equal instalments, first after the mortgage is executed and second on the construction reaching plinth level.
 - b) **Double Storeyed House:** 30% of advance for cost of plot will be disbursed on executing the agreement. The balance amount will be disbursed in two equal instalments, the first on executing the mortgage deed and the second on construction reaching plinth level.



9. Mortgage and Creation of Second Charge

- a) House shall be mortgaged on the behalf of President of India. However, the employee, if he wishes to take a second charge to meet the balance cost of the house/ plot or flat from recognized financial institutions, then he/ she may declare the same and apply for NOC at the time of the applying for HBA. **NOC for second charge will be given along with sanction order of HBA.** The total loan from HBA and from all other sources cannot be beyond ceiling cost of the house as defined under para 4 above.
- b) In case if HBA is availed by both husband/ wife jointly,
 - i. HBA Mortgage paper, insurance paper and other papers regarding property shall be submitted to one of the loan sanctioning authorities of their choice.
 - ii. A **No Objection Certificate** may be obtained from the 2nd loan sanctioning authority.
 - iii. The property mortgaged to behalf of President of India, shall be reconvened on the prescribed form to the central government employee concerned (or their successors in interest, as the case may be), after the advance together with interest thereon, has been repaid to Government in full and after obtaining **No Demand Certificate** in respect of HBA loan sanctioned by the 2nd loan sanctioning authority.

10. Insurance

- a) Immediately on completion of construction/purchase of house/flat, the employee shall insure the house with the recognized institutions as approved by **Insurance Regulatory and Development Authority (IRDA)**, for not less than the amount of advance and shall keep it so insured against damage by fire, flood and lightning till the advance together with interest thereon is repaid in full and deposit the policy documents with the Head of the Department (HoD). Renewal of insurance will be done every year and premium receipts produced for inspection of the HoD regularly.
- b) Penal interest of 2% over and above existing rate of interest will be recovered from the employee for those periods which are not covered by insurance of the house.

11. Migration

For existing House Building Advance beneficiaries who wish to migrate, a separate order for migration to the revised House Building Advance rules will be issued shortly.

12. Extant rules

Apart from above stated changes in relevant sections in the earlier version of House Building Advance rules, all other extant rules shall continue to apply till further orders.



13. This issues in consultation with Comptroller& Auditor General, in so far as the persons working in the Indian Audit & Accounts Department concerned.
14. Hindi version will follow.
- 15 This comes to the effect from the date of issue.



(Shailendra Vikram Singh)

Director

Ministry of Housing & Urban Affairs

Tel-23062798

To

All the Ministries and Departments of the Government of India as per standard distribution list

Copy to – C&AG and U.P.S.C., etc. as per Standard endorsement list.

Copy for information to- PS to MOS(I/c), HUA, PSO to Secretary/PPS to JS&FA, Budget Division and US(Admn.), MoHUA, New Delhi.

Copy to — IT Cell, MoHUA for uploading of MoHUA website.

8

No. I/17015/6/83/III
Government of India
Ministry of Works and Housing

New Delhi, dated the 7-4-1984.

Office Memorandum

Subject:- Liberalisation of House Building Advance Scheme for Central Government Employees.

The question of liberalisation of the terms and conditions for grant of House Building Advance to Central Government Employees in view of rise in costs of construction and other relevant factors has been engaging the attention of the Government of India for some time. After considering the recommendations made by an Inter-Ministerial Group constituted for this purpose, the President is pleased to approve the following changes in the existing Scheme:-

I. QUANTUM OF HOUSE BUILDING ADVANCE: (HBA)

- A) The existing maximum limit of House Building Advance (HBA) viz. 75 months' pay of the employee or Rs. 70,000/-, whichever is less will be raised to 100 months' pay or Rs. 1.25 lakhs, whichever is less, for construction/acquisition of a house.
- B) The existing limit of 75 times monthly pay subject to a maximum of Rs. 25,000/- will be raised to 100 times monthly pay subject to a maximum of Rs. 40,000/- for enlargement of existing house.

In both cases the amount of advance actually admissible will be limited to the repaying capacity of the employee or the actual cost of construction/acquisition/enlargement, whichever is less.

II. MEMBERS OF COOPERATIVE GROUP HOUSING SOCIETIES

Central Government employees who acquire houses through membership of Co-operative Group Housing Societies shall also be eligible for grant of House Building Advance upto the enhanced limit in para I above. Such employees shall however be required to furnish the following documents in addition to Personal Bond for drawing H.B.A. beyond the existing ceiling limit of Rs. 70,000/-:

- a) An agreement to mortgage the flat followed by deposit of title deeds (as and when available).
- b) Promissory Note in respect of the amount of the principal plus interest at the specified rates.

The documents at (a) & (b) above will be in substitution of registered mortgage. Where a promissory note is given, surety bonds will not be necessary.

III. REPAYING CAPACITY:

The repaying capacity of the applicant Government employees will be computed on the following basis:

<u>Length of remaining services</u>	<u>Slab of repaying capacity</u>
a) Officials retiring after 20 years	50% of basic pay.
b) Officials retiring after 10 years but not later than 20 years.	60% of basic pay. 80% of DCRG may also be adjusted.
c) Officials retiring within 10 years.	66 2/3% of basic pay. 90% of DCRG may also be adjusted.

IV) COST CEILING LIMITS:

The existing cost ceiling limits as prescribed vide this Ministry's O.M.No. 1/17011/11/79-III, dated 23rd April, 1983, will be re-adjusted as under:

<u>Category:</u>	<u>Cost Ceiling</u>
1) For employees whose 100 months' basic pay is upto Rs. 80,000/-	Rs. 1.25 lakhs.
2) For employees whose 100 months' basic pay exceeds Rs. 80,000/- but is upto Rs. 1,70,000/-	Rs. 2.00 lakhs.
3) For employees whose 100 months' basic pay exceeds Rs. 1,70,000/-	Rs. 3.50 lakhs.

V). RATES OF INTEREST:

Existing slab rates of interest on House Building Advance as notified vide this Ministry's O.M.No. 1/17011/1/81-III, dated 26th May, 1981, will be revised as under:-

<u>Amount of Advance</u>	<u>Rate of Interest</u>
For the first Rs. 25,000	7 per cent per annum.
For the next Rs. 25,000	8.5 per cent per annum.
For the next Rs. 25,000	10.5 per cent per annum.
For the next Rs. 50,000	12 per cent per annum.

VI. TREATING 'FAMILY PENSION' AS 'PAY':

Family Pension at normal rates drawn by a Government servant will be clubbed with basic pay in computing quantum of House Building Advance as well as for determining the cost ceiling limit and repaying capacity.

VII. HOUSE BUILDING ADVANCE TO THE GOVERNMENT EMPLOYEES WHO ALREADY OWN HOUSES.

The existing stipulation in the House Building Advance Rules that neither the applicant nor the applicant's wife/husband/minor child

should own a house in Urban area for the Government servant to become eligible for HBA, has been deleted. This is however, subject to the condition that the applicant's wife/husband/minor child should not already own a house in the town/urban agglomeration where the house is proposed to be constructed or acquired with the advance from the HBA.

VIII. DATE OF EFFECT OF THE ORDERS:

These orders will come into effect from 1-4-1984. However, the past cases where House Building Advance has already been sanctioned but not drawn by the employee may also be reviewed for enhancement of advance, if applied for. In case where the HBA has been sanctioned and also drawn, the enhancement will be subject to the following conditions:

- i) The Government servants should not have drawn the entire amount of HBA sanctioned under the earlier orders.
- ii) The revised amount of HBA calculated as per the liberalised Scheme shall not exceed 50% of the HBA amount previously sanctioned.

Formal amendments to the House Building Advance Rules will be issued in due course.

This issues with the concurrence of the Ministry of Finance vide their U.O.No.193-WIP/84, dated 24-3-1984.

In so far as the persons serving in the Indian Audit and Accounts Deptt. are concerned, these orders issue in consultation with the Comptroller and Auditor General of India.

(S.T. Veera Raghavan)
JOINT SECRETARY (FINANCE)


Encls: as above.

To

1. All the Ministries/Departments of the Government of India.
2. Union Territory Administrations of Delhi, Chandigarh, Lakshdweep, Dadra and Nagar Haveli and Andaman Nicobar Islands.

Copy forwarded to:-

1. Comptroller and Auditor General of India, New Delhi. This has with reference to his D.H.No.442-TA.II/12-84, dated 6th April, 1984.
2. Shri R. Paramaswar, Additional Secretary (AR), Deptt. of Personnel & Administrative Reforms, New Delhi.
3. Shri S.C. Mahalik, Joint Secretary (Pers), Ministry of Finance, Deptt. of Expenditure, New Delhi.
4. Shri S. Krishnan, Joint Secretary (JCM), Deptt. of Personnel & Adm. Reforms, New Delhi.
5. Finance Division (W&E), Ministry of Works and Housing, New Delhi.
6. Ministry of Finance (Deptt. of Expenditure), New Delhi with reference to their U.O.No.193-WIP/84, dated 24-2-1984.
7. PS to HM/WH.
8. PS to Secretary.
9. PS to Joint Secretaries in the Ministry of Works and Housing.
10. All Officers/Desk Officers/Sections in the Ministry.
11. Information Officer, Ministry of W&H, New Delhi (Shastri Bhawan).
12. All attached and Subordinate Offices under the Min. of W&H.
13. Under Secretary, JCA, Deptt. of Personnel & A.R., New Delhi (with 50 copies for Members of JCM National Council.
14. Sanction file (10 copies).
15. Spare copies folder (50 copies).


(PHOOL SINGH)
Under Secretary (HII).

(Enclosure to Ministry of Works & Housing's O...
No. T-17015/6/83-R.III dated 8.1.85).

Revised Para VII of this Ministry's O... of
even number dated 7.4.1984.

VII. HOUSE BUILDING ADVANCE TO THE GOVERNMENT
EMPLOYEES WHO ALREADY OWN HOUSES

An applicant for the House Building Advance, under these Rules, shall not be eligible for such Advance, if the applicant, or his/her wife/husband or minor son/s individually or jointly owns a house in the town/urban agglomeration in which a house is proposed to be constructed/purchased by the applicant.

Provided that if the house already so owned by the applicant as mentioned above is a coparcenary property belonging to HUF of which the applicant is a member, or a joint property in which the applicant has a share or interest together with persons other than (or in addition to) his/her wife/husband or minor son/s, then the applicant shall be eligible to House Building Advance not exceeding 60 per cent of the amount which would otherwise have been normally admissible to him from the Government under these rules, for the construction/purchase of a house with the advance from the Government. For the purpose of this rule, "house" will include flat.

(52) 49
48

No.I/17011/3/86/H.III
Government of India
Ministry of Urban Development

New Delhi, dated the 1 August, 89.

OFFICE MEMORANDUM

Subject:-Non-Practising Allowance for Medical Posts-Inclusion in
Basic Pay for house building advance -Clarification regarding.

1. Quantum of house building advance is being regulated on the basis of basic pay reckoned on the date of issue of original house building advance orders.
2. Government have since decided that Non-practising allowance sanctioned for medical posts may be treated as 'Basic Pay' for purposes of house building advance.
3. Hindi version will follow.

S. Balakrishnan

(S. Balakrishnan)

Under Secretary to the Govt. of India

To,

1. All Ministries/Depts. of Govt. of India.
2. Union Territory Administration of Delhi, Chandigarh, Lakshadweep, Dadra & Nagar Haveli & Andaman & Nicobar Islands.

Copy forwarded to:

1. Ministry of Finance, Deptt. of Expenditure with reference to O.M. No.F.16(2)-E.II(A)/89 dt. 3.7.89.
2. Director, JCA, Deptt. of Personnel & Training, New Delhi (with 100 copies for members of JCM National Council).
3. Sanction file(10 copies).
4. Spare Copies(50 copies).

S. Balakrishnan

(S. Balakrishnan)

Under Secretary to the Govt. of India

I-17015/2(2)/2024/H.III (e-9126778) \69
Government of India
Ministry of Housing & Urban Affairs
(Housing-III-Section)

Nirman Bhawan, New Delhi
Dated: 27th March, 2025

OFFICE MEMORANDUM

Subject: - Rate of Interest on House Building Advance (HBA) for Central Government Employees for FY 2025-26-reg.

In pursuance of Department of Economic Affairs, Ministry of Finance OM No 5(2)-B(PD)/2025 dated 24.03.2025, the interest rate applicable on House Building Advance sanctioned to Central Government Employees for the financial year 2025-26 **(from 1st April 2025 to 31st March 2026)** will remain unchanged at **7.44%** until further orders.

2. This issues with the approval of Competent Authority.



(Manoj Kumar Jha)
Under Secretary to the Govt. of India
Tel: 23061476
Email ID: manojk.jha@nic.in

To

All the Central Government Ministries/Departments

Copy for information to:

1. PS to Hon'ble Minister, Ministry of Finance, North Block, New Delhi.
2. PS to Hon'ble Minister, Ministry of Housing & Urban Affairs, Nirman Bhawan, New Delhi.
3. PS to Hon'ble Minister of State, Ministry of Housing & Urban Affairs, Nirman Bhawan, New Delhi.
4. SO (IT Cell) with a request to upload it in e-office and on website of Ministry of Housing & Urban Affairs.

13

Government of India
Ministry of Health & Family Planning
and Works, Housing and Urban Development
(Department of Works, Housing & U.D.)

No. 10/15/69-HIII New Delhi, dated the 21st Sept., 1970

Office Memorandum

Subject:- Rules to regulate the grant of advances to
Central Government servants for the building etc.
of houses - Calculation of interest.

-.-.-.-.-

/shall

The undersigned is directed to invite attention of the Ministry of Home Affairs etc. to Rule 6 of the "Rules to regulate the grant of advances to Central Government servants for the building etc. of houses" which provides, inter-alia, that an advance under the said rules shall carry simple interest from the date of payment of the advance - the amount of interest being calculated on the balance outstanding on the last day of each month. A question was raised as to how interest should be calculated in cases of recovery of instalments through the pay/leave salary bills, if the Government servant concerned is unable to present his claim in time for certain administrative reasons or for want of a pay slip from audit office. It has now been decided in consultation with the Ministry of Finance that the deductions should in such cases be deemed to have been made in the month following the month to which the pay/leave salary relates irrespective of the actual date of its drawal.

2. In so far as the persons serving in the Indian Audit and Accounts Department are concerned, these orders are issued in consultation with the Comptroller and Auditor General of India.

..... K. Srinivasan

(K. Srinivasan)
Under Secretary to the Government of India

To

All the Ministries/Departments etc. (as per standard list)

Ministry of Finance (W&E Unit) w.r.t. their U.O. No. 6635 W&E/70, dated the 21st August, 1970.

Comptroller and Auditor General of India with reference to his U.O. No. 1447-TAII/364-70, dated 17.8.1970.

.....2/✓

Ministry of Finance (Department of Expenditure)
w.r.t. their U.O. No. 1684 EII(A)/70, dated
10.6.1970 along with their File No. 16(7)-EII(A)/69.

Secretary, Finance Department, Government of Madhya
Pradesh, Bhopal, w.r.t. their letter No. 2392/1251/
IV-R-7/69, dated 27.10.69, addressed to the
Ministry of Finance (Department of Expenditure),
New Delhi.

Supreme Court of India, New Delhi.

Information Officer.

P.S. to H.M./M.S. (WHUD)/Secretary.

All Officers/P.Ss./P.As./Sections in the Department
of Works, Housing and Urban Development.

All attached and Subordinate Offices (including
Government Undertakings viz. Hindustan Housing
Factory Ltd. and N.B.C.C. Ltd.).

All Chief Secretaries/Administrators of all
Union Territories and State Governments.

Amendment to Rules/File.

Guard File.

Spare Copies (300)

* JS *
17/9/1970

GOVERNMENT OF INDIA
MINISTRY OF WORKS AND HOUSING
X-X-X

No. I/17011/9/72-H III New Delhi dated the 24th March, 73.

OFFICE MEMORANDUM

Subject:- House Building Advance-repayment of the advances-
date of commencement of repayment.

X-X-X

According to the Note (ii) under clause (a) of Rule 8 of the Rules to regulate the grant of advances to Central Government servants for building etc. of houses

"Recovery of advances granted for constructing a new house or enlarging living accommodation in an existing house shall commence from the pay of the month following the completion of the house or the pay of the 18th month after the date on which the first instalment of the advance is paid to the Government servant whichever is earlier. In the case of an advance taken for purchasing a ready built house, recovery shall commence from the pay of the month following that in which the advance is drawn."

Representations have been received that the time of 18 months allowed for completion of the construction of the house is not adequate because formalities for obtaining possession of the land, obtaining approval to the plan of the house etc. and shortage of building materials cause more time to be taken.

2. It has, therefore, been decided that the repayment of an advance shall be as follows:-

- (i) In the case of advance taken partly for purchase of land and partly for construction.

the recovery should commence from the pay of the month following the completion of the house or the pay of the 24th month of the ~~employee~~ government servant after the date on which the instalment for purchase of land was drawn by the government servant whichever is earlier;

- (ii) In the case of advances for construction of houses or for enlarging living accommodation in an existing house.

recovery shall commence from the pay of the month following the completion of the house or the pay of 18th month after the date on which the first instalment of the advance is paid to the Government servant whichever is earlier.

- (iii) in the case of advances for purchase of readybuilt houses.

recovery shall commence from the pay of the month following that in which the advance is drawn.

3. Necessary amendment to the House Building Advance Rules will issue in due course.

(P.T.O)

4. In so far as the persons serving in the Indian Audit and Accounts Department are concerned, this issues with the concurrence of the Comptroller and Auditor General of India.

Sd/-

(S. Mahadeva Ayyar)

UNDER SECRETARY TO THE GOVERNMENT OF INDIA

To

All the Ministries/Departments of the Government of India
(As per standard list).

All Chief Secretaries/Administrators of State Governments,
Union Territories.

P.S. to Minister/P.S. to HM(S)/P.S. to Secretary.

Supreme Court of India.

All Officers/Sections in the Ministry of W & H.

Comptroller and Auditor General of India

Amendment to Rules.

Spare Copies 400.

Information Officer.

Shri M.J. Iyer, All India R.M.S. Employees Union, 9,
Pusa Road, New Delhi-5.

Shri P. Muthuswami, Post Box No.2468, Madras-28.

Shri J.C. Gupta, 40, Q.R., More Sarai, Delhi-6.

Shri R. Thesiraman, S.A.S. Accountant, A.G.'s Office,
Madras.

No.10/15/59-HIV
Government of India
Ministry of Works and Housing

New Delhi, dated the 15th April, 1965

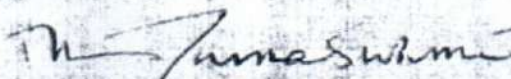
Office Memorandum.

Subject : Rules to regulate the grant of advances to Central Government servants for the building etc. of houses - procedure for recovery of adjustment of advance against gratuity/death-cum-retirement gratuity.

...

The undersigned is directed to refer to this Ministry's Office Memorandum No.10/15/59-H.III dated the 23rd July, 1962, wherein it was decided that, where a portion of the advance sanctioned to a Government servant is to be wiped off by adjustment against the gratuity/death-cum-retirement gratuity or the leave salary actually drawn after the date of retirement, no interest should be charged on the principal amount of outstanding advance beyond the date of retirement. A question has now been raised whether a Government servant, who dies before repaying the advance availed of by him under the House Building Advances Rules and whose outstanding amount of advance will be adjusted against gratuity admissible to him, can be given exemption from levy of interest on the outstanding amount of advance from the date of his death. It has now been decided in consultation with the Ministry of Finance(Works) that in case a Government servant dies while in service, and a portion of the outstanding balance of the advance is to be set off against the death-cum-retirement gratuity admissible to his successor, no interest should be charged on the amount of the advance thus adjusted against death-cum-retirement gratuity, beyond the date of death of the Government servant. ✓

2. In its application to the personnel of the Indian Audit and Accounts Department, this order issues with the concurrence of the Comptroller and Auditor General of India.



(T.K. Ramaswami)

Under Secretary to the Govt. of India

To

All Ministries/Departments.

*an.12.4.

Government of India
Ministry of Health and Family Planning
and Works, Housing & Urban Development
(Dept. of Works, Housing & Urban Dev.)

No. 1/17011/1/71-H111

2275
New Delhi, Dated the Feb., 71

OFFICE MEMORANDUM

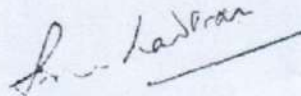
Subject:- Grant of house building advance to Central Government servants - Recovery of advance and interest accrued thereon.

The undersigned is directed to invite the attention of the Ministry of Home Affairs, etc. to Rule 8(a) of the House Building Advance Rules, which provides that the advance granted to a Government servant under these rules, together with the interest thereon, shall be repaid in full by monthly instalments within a period not exceeding 20 years. Firstly, the recovery of the advance shall be made in not more than 180 monthly instalments, and then interest shall be recovered in not more than 60 monthly instalments. Note (iii) under Rule 8(a) ibid further provides that it will be open to Government servants to repay the amount in a shorter period, if they so desire. In any case, the entire advance must be repaid in full (with interest thereon) before the date on which they are due to retire from service. It is also stipulated in Rule 8(b), of the said rules, inter-alia, that the recoveries will not be held up or postponed except with the prior concurrence of Government.

2. In view of the provisions in the House Building Advance Rules, as stated in para 1 above, the instalments for repayment of advance and interest thereon, are so fixed by the Head of Departments that the whole amount of advance is recovered from the loanee concerned before the date of his retirement except where a part of the advance and/or interest thereon is required to be adjusted against Gratuity/Death-cum-retirement-Gratuity in terms of Note (iv) below Rule 8(a) of the House Building Advance Rules, and the instalments of recovery are so fixed that recovery of interest commences from the month following the month in which the amount of advance will be liquidated.

3. Instances have come to the notice of the Government wherein the loanees, after paying a number of instalments refunded the balance amount of advance in one lumpsum but did not refund the amount of interest accrued on the advance till the amount due on this account was worked out by the Head of the Department/Audit Officer concerned and intimated to the loanee. As recoveries of advance and/or interest thereon, cannot be postponed without the prior approval of Government, postponement of recovery of interest on the advance, in these cases, has been viewed as irregular. The Heads of Departments will, therefore, ensure in future, that in such cases, where amount of advance (or the balance amount of advance, as the case may be) is refunded in one lumpsum the recovery of interest, at the rate mentioned in mortgage

- - - deed/Agreement form, commences from the month following the month in which the advance is refunded in lumpsum and that the same is not postponed, under any circumstances, till the amount of advance is worked out by the concerned authorities and intimated to the loanee, for payment in one lumpsum. The AG Concerned may also ensure that the interest payable is communicated to the loanees promptly.



(S. Mahadeva Ayyar)
Under Secretary to the Govt. of India.

To

All Ministries/Department (as per Standard List)
Chief Secretaries/Administrators all Union Territories.
Comptroller and Auditor General of India.
Ministry of Finance (W & E Unit), New Delhi, w.r.t. their
O.No. 7680 W&E/70, dated 30.9.70.
All Sections in the Ministry.
PS to Minister/Minister of State/Secretary.
Supreme Court of India, New Delhi.
Planning Commission New Delhi.
Information Officer,
Guard File.
File No. 49/16/61-HII
Spare copies (200)

New Delhi, dated the 3rd Sept., 1985

OFFICE MEMORANDUM

Subject:-Recovery of house building advance from those Central Govt. employees who are absorbed in Central Autonomous/Statutory bodies.

....

Under the existing procedure for recovery of House Building Advance, the recovery is made as per schedule fixed by the HBA sanctioning authority keeping in view the length of service, repaying capacity etc. of the concerned Govt. employee. However, if the loanee Central Govt. employee ceases to be in service for any reason other than normal retirement/superannuation, or if he/she dies before repayment of the advance in full, the entire outstanding amount of advance and interest thereon becomes payable/recoverable forthwith. In compliance with these provisions the Central Govt. employees who happen to be absorbed permanently in autonomous/statutory bodies have to refund the whole outstanding amount of HBA in one lump sum.

With a view to avoid hardship to the employees who are permanently absorbed in Public Sector Undertakings where pension scheme is in operation, it has been decided as under:-

(i) Since on the date of absorption of a govt. servant in an autonomous body the Govt. will discharge its pensionary liability by paying in one lump sum, as a one time payment, the pro-rata pension/service gratuity and DCRG for the service rendered by the govt. servant, the amount of outstanding amount of HBA alongwith the interest shall be deducted out of the total amount so payable by the govt. to the autonomous body.

(ii) Thereafter, if any balance is still outstanding against the employee it will be recovered in instalments by the autonomous body for which an undertaking will be given by the concerned organisation/body saying that it will ensure the recovery of balance of HBA including interest thereon, in monthly instalments from the employee and remit it to the PAO responsible for watching its recoveries.

These provisions shall form part of all future orders sanctioning HBA.

Hindi version is enclosed.



(S. Balakrishnan)

Under Secretary to the Govt. of India

New Delhi, dated the 20 February, 89.

OFFICE MEMORANDUM

Subject: Stamp-duty on Mortgage Deed and Deed of Reconveyance executed by Central Government employees under the scheme of House Building Advance-
exemption of.

The undersigned is directed to say that the existing position with regard to payment of stamp-duty by the Central Government employees on the registration of Mortgage deed and Reconveyance Deed relating to house building advance and its reimbursement by the Government was indicated in this Ministry's O.M.No.I/17014/4/78/H.III dt. 31.5.78, 7.3.79, 30.4.79 and 25.5.79.

2. A number of references are being received in this Ministry enquiring whether the loanee Central Government servants are exempted from payment of stamp duty charged on the registration of the aforesaid documents relating to house building advance as the position indicated in the Office Memoranda referred to above has undergone change, in some States. Since stamp-duty is a State subject, the Central Government employees are to be governed by the rules formulated by the concerned State Govts. in this regard. It is therefore, clarified that the stamp duty on the aforesaid documents, wherever charged, has to be borne by the loanee Govt. servants & re-imbursement thereof is not admissible.

3. Ministry of Agriculture etc. are requested to bring the contents of this O.M. to the notice of all concerned.

S. Balakrishnan

(S. Balakrishnan)

Under Secretary to the Govt. of India

To

1. All Ministries/Depts. (as per list attached).
2. C&A.G. of India, New Delhi.
3. Union Territories of Andaman & Nicobar Islands, Chandigarh, Dadra & Nagar Haveli & Lakshadweep & Diu.

Copy for information to:

1. Ministry of Finance (Budget Division), New Delhi.
2. Ministry of Finance (Plan Finance), New Delhi.
3. PS to UDU/MOS(UD).
4. PS to Secretary, UDU(F).
5. Finance Division (W&E) / ~~Budget Division~~, Ministry of Urban Development.
6. US (Adm.), Ministry of Urban Development, New Delhi.
7. Guard File.
8. Delhi Administration, Delhi.
9. Spare Copies (50 copies).

S. Balakrishnan

(S. Balakrishnan)
Under Secretary to the Govt. of India

I-17011/11(4)/2016-H.III
Government of India
Ministry of Housing & Urban Affairs
Housing-III Section

Nirman Bhawan, New Delhi,
Dated: 31.01.2018.

OFFICE MEMORANDUM

Subject: Interest bearing advances/ Seventh Central Pay commission recommendation on migration of existing government employees who have already taken Home Loans from Banks/ other Financial Institutions – reg.

Kind attention is invited to para 2(viii) of this Ministry's O.M. No. I-17011/11(4)/2016-H.III dated 09.11.2017 on the above mentioned subject regarding fulfilment of extant conditions, the extant conditions are clarified as follows.

- a) Before granting such House Building Advance, the Head of the Department;
 - i. Should satisfy himself that the home loans were taken by the government employee entirely for purpose of construction/ purchase of new house/ flat.
 - ii. Should ensure that the House Building Advance sanctioned is limited to the amount of loan still due to be repaid by the government employee.
- b) House Building Advance can be availed towards repayment of bank loan taken for the purpose of construction/ purchase of new house/ flat.
- c) Employee shall be eligible for grant of House Building Advance on the date he/ she obtained loans from banks and other financial institutions, irrespective of whether they applied for House Building Advance before raising the loan.
- d) House Building Advance for repayment of loans shall be granted to the eligible employees in one lump sum. However, the Government employee shall produce the HBA Utilization Certificate within one month from the date of release of HBA.
- e) Employee has to satisfy the other provisions of the House Building Advance Rules -2017.


(Shalendra Vikram Singh)
Director(IFD)
Tel: 011-23062798

To,

All the Ministries and Departments of the Government of India, C&AG and UPSC, etc. as per standard endorsement list.

(39)

Copy for information to,

1. PS to MoS(I/c), H&UA
2. PSO to Secretary
3. PPS to JS&FA
4. Budget Division
5. US (Admn.), MoHUA
6. IT- Cell for uploading in Ministry website
7. Hindi Section for Hindi version.


(Rajeev Kumar)
Under Secretary (FD-I)

No.I/17011/3/86/H.III
Government of India
Ministry of Urban Development

New Delhi, dated the 17th April, 1988.

Subject:-Grant of House Building Advance to enable repayment of loans.

The undersigned is directed to say that this Ministry's orders contained in O.M.No.I/17015/8/71/H.III dated the 14th February, 1972 permitted sanction of House Building Advance for repayment of loans for construction of houses. This facility was, however, withdrawn vide this Ministry's O.M.No.I/17011/3/86/H.III dated 15th February, 1988.

2. It has been represented that with limited funds placed at the disposal of various Ministries/Departments, it is not possible for these Departments to sanction House Building Advance to all applicants and the employees have perforce to raise finance through various financial institutions and other agencies at higher rates of interest. Withdrawal of the facility of getting house building advance for repayment of loan has thus resulted in hardship to Government employees.

3. These representations have been carefully considered. Government have now decided that Government servants can utilise the amount of house building advance for purposes of repayment of other loans taken from non-Government source to build a house or acquire a flat. The concession will be available even where the construction has commenced.

4. Before granting such house building advance the Head of Department:-

(i) should satisfy himself that the other loans were taken by the Government servant entirely for the purpose of construction/purchase of house/flat;

(ii) should ensure that the house building advance sanctioned is limited to the amount of loan still due to be repaid by the Government servant.

Since the All India Services and CCS(Cconduct) Rules provide for declaration of sources of finance for such purpose, with full details thereof, the Heads of Department can consult these declarations in this matter.

5. The Government servant has to satisfy the other provision of the house building advance rules.

6. In so far as the persons serving in the Indian Audit and Accounts Departments are concerned, these orders issue in consultation with the Comptroller & Auditor General of India.

7. This O.M. is in supersession of the O.M. of even number dated 15th February, 1988 on the subject.

8. Hindi version is enclosed.



(S. Balakrishnan)

Under Secretary to the Govt. of India

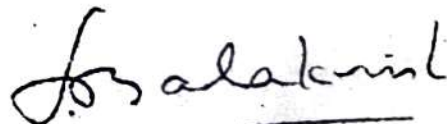
..2..

To,
1. All Ministries/Depts. of Government of India.

2. Union Territory Administration of Delhi, Chandigarh, Lakshadweep,
Dadra & Nagar Haveli & Andaman & Nicobar Islands.

Copy forwarded to:

1. Comptroller & Auditor General of India. This is with reference to U.O. No.235 Audit, I/21.85 Vol.II KW dt. 27.3.87.
2. Shri S.K.Parthasarathy, JS(JCM), Deptt. of Personnel & Training, New Delhi
3. Shri B.P.Verma, JS(Pers.), Ministry of Finance, Deptt. of Expenditure, New Delhi.
4. Finance Division(W&E), Ministry of Urban Development, New Delhi.
5. Ministry of Finance(Deptt. of Expenditure), New Delhi with reference to U.O.No.F.19(3)-E.II(A)/87 dt. 15.6.87.
6. PS to HM/DM/Secretary/All Joint Secretaries in the Ministry of Urban Development.
7. All Officers/Desk Officers/Sections in the Ministry.
8. Information Officer, Ministry of Urban Development, New Delhi.
9. All attached & Subordinate Offices under the Ministry of Urban Development
10. Director, JCA, Deptt. of Personnel & Training, New Delhi(with 100 copies for members of JCM National Council).
11. Sanction file (10 copies).
12. Spare Copies (50 copies).



(S.Balakrishnan)

Under Secretary to the Govt. of India

New Delhi, dated the 7th Sept., 90.

OFFICE MEMORANDUM

Subject: Grant of House Building Advance to enable repayment of loans.

7.30/c

The facility of grant of house building advance for repayment of loans raised from non-govt. sources for the purpose of construction/acquisition of a house/flat was extended in O.M. of even No. dated 17.4.89. It was also intimated in this Ministry's O.M. of even No. dated 18.6.90 that Public Sector Undertakings/Autonomous Bodies and other Registered Societies funded by the govt. should be treated as non-govt. sources for the purpose of sanctioning house building advance in terms of O.M. dated 17.4.89. Several references have been received in this regard from various ministries/depts. seeking clarification on certain points. The points/doubts raised are clarified as under:

Points/Doubt raised.

Clarification

(i) whether the govt. servant should be eligible for the grant of house building advance on the date he obtained loans from non-govt. sources.

✓ i) Yes.

(ii) whether the house building advance for repayment of loans raised from non-govt. source is admissible to all the govt. servants irrespective of whether they applied for house building advance or not before raising the loan.

✓ ii) House Building Advance for repayment of loans is admissible only to those govt. servants who before raising the loan from non-govt. sources applied for house building advance but could not be sanctioned the same due to paucity of funds.

(iii) whether house building advance will be admissible in a case where a govt. servant had raised loan from a financial institution by creation of first charge of mortgage and the said financial institution does not allow the govt. servant to create first charge of mortgage to the President of India.

iii) No.

(iv) whether house building advance for repayment of loans should be made in one lump-sum or in instalments and whether it should be paid to the individual or to the financial institution.

(iv) House Building Advance in such cases should be paid to the govt. servant in one lump-sum. However, the Govt. servant may be asked to produce the utilization certificate within one month from the date of release of house building advance.

(v) whether the govt. servants are to take prior permission for raising loans from non-govt. sources for house building purposes.

(v) The Govt. servant(s) has to satisfy the provisions of Conduct Rules applicable to him.

(vi) whether the house building advance is admissible for repayment of loans where the construction of house had already been completed and the govt. servant has already started living therein.

(vi) Yes. However, the Head of the deptt. has to satisfy itself that the loan from non-govt. source was raised entirely for the purpose of purchase a house/flat purchase of land and/or construct of a house.

(vii) what sort of priority should be attributed to the cases of grant of house building advance for repayment of loans.

(vii) Such cases may be treated as 'Committed Liabilities.'

2. Hindi version will follow.

S. Balakrishnan

(S. Balakrishnan)

Under Secretary to the Govt. of India

To

1. All Ministries/Depts. of Govt. of India.
2. Union Territories of Delhi, Andaman & Nicobar Islands, Chandigarh, Dad and Nagar Haveli, Lakshadweep and Daman & Diu.
3. Office of the C & A.G., New Delhi.
4. Supreme Court of India.
- 5.

Copy to:

1. Secretary, Staff Side, National Council (JCM), 13-C, Ferozshah Road, New Delhi.
2. JCA Division, Deptt. of Personnel & Training, New Delhi.
3. US (Adm.), Ministry of Urban Development, New Delhi.

S. Balakrishnan

(S. Balakrishnan)

Under Secretary to the Govt. of India

304

No.I/17015/2/85-H.III
Government of India
Ministry of Urban Development

New Delhi, the 1st October, 1991

OFFICE MEMORANDUM

Subject:-Financing of 'Ownership Housing Scheme' of Housing Agencies etc. by HUDCO out of funds of the Group Insurance Scheme-Grant of house building advance for repayment of the loan raised from HUDCO under these schemes.

Under this Ministry's O.M. of even number dated 20-5-85, Central Govt. Employees who avail of the loan (through Development Authorities, Housing Boards etc.) under the 'Ownership Housing Scheme' of Housing & Urban Development Corporation are not eligible for grant of house building advance (HBA). This Ministry has been receiving representations from various Departments urging that the government employees who are beneficiaries of the said 'Ownership Housing Scheme' of HUDCO should also be made eligible for house building advance in order to enable them to repay the loan taken under the said scheme.

2. The matter has been considered in consultation with the Ministry of Finance and it has been decided that house building advance would be admissible to the government employees for repayment of the loan raised by them under the above mentioned 'Ownership Housing Scheme' of HUDCO for acquisition/construction of houses/flats through the Development Authorities, Housing Boards etc. However, as proscribed in this Ministry's O.M.No.I/17011/3/86-H.III dated 17.4.89 and 7.9.90, before sanctioning house building advance to the employees for repayment of this loan, Ministries/Departments should ensure that they were eligible for house building advance on the date the Development Authorities/Housing Boards/co-operative Societies etc. had raised the loan for them from HUDCO and they had requested the Development Authorities, Housing Boards, etc for arranging the loan for them only after they had applied for house building advance and the same was not sanctioned to them due to paucity of funds. Other provisions of house building advance rules should also be satisfied.

3. All Ministries/Departments are requested to bring the contents of this O.M. to the notice of all the government employees working under them.

2/-

4. Hindi version will follow.

S. Balakrishnan
(S. Balakrishnan)

Under Secretary to the Govt. of India.

TO

1. All Ministries/Departments of Govt. of India
2. U.T. of Delhi, Andman & Nicobar Islands, Chandigarh, Dadra & Nagar Haveli, Lakhsadweep & Daman and Diu.
3. Office of the Comptroller and Auditor General of India, New Delhi.
4. Supreme Court of India.

Copy to :

1. Secretary, Staff Side, National Council (JCM), 13-C, Ferozshah Road, New Delhi.
2. JCA Division, Deptt. of personnel and Training, New Delhi.
3. US (Admn); Min. of Urban Development, New Delhi.
4. Housing-II Section, Min. of Urban Development, New Delhi.
5. File No. I/17011/3/86-H.III
6. Deptt of Expenditure (E.II(A) Section) w.r.t. their O.M.No.F.19(4)-E.II(A)-91 dated 13-9-91.

S. Balakrishnan
(S. Balakrishnan)

Under Secretary to the Govt. of India.

New Delhi, dated the 27th May, 92.

OFFICE MEMORANDUM

Subject: Clarification regarding grant of house building advance to enable repayment of loan.

The facility of grant of house building advance for repayment of loans raised from non-Govt. sources for the purpose of construction/acquisition of a house/flat was extended vide this Ministry's O.M. of even No. dt. 17.4.89. Subsequently certain clarifications were issued vide O.M. of even No. dt. 7.9.90 to remove doubts in this regard. In point(i) of the O.M. dt. 7.9.90 it was clarified that for availing the facility of house building advance for repayment of loans raised from non-govt. sources the govt. employee should have been eligible for grant of house building advance on the date he obtained loans from non-Govt. sources. In point(ii) of the said O.M. it was clarified that house building advance for repayment of loans is admissible only to those Govt. servants who before raising the loan from non-Govt. sources applied for house building advance but the same could not be sanctioned due to paucity of funds.

2. The Govt. have received a number of representations in this regard. The matter has since been reconsidered and it has been decided in consultation with the Ministry of Finance that the clarification(i)&(ii) communicated vide this Ministry's O.M. of even No. dt. 7.9.90 will be effective from 7.9.90.

3. These provisions are also extended to the repayment of loans raised under the Ownership Housing Scheme of HUDCO.

4. This Ministry's O.M. dt. 7.9.90 and 1.10.91 stand modified to the extent stated above.

5. In so far as the persons serving in the Indian Audit and Accounts Deptt. are concerned these orders issue in consultation with C&A.G. of India.

6. Hindi version will follow.

S. Balakrishnan

(S. Balakrishnan)

Under Secretary to the Govt. of India
Tel. No. 301869

1. All Ministries/Deptts. of Govt. of India.

No.10/1/68-HIII(Pt)
Government of India
Ministry of Works, Housing & Supply
(Department of Works & Housing)

New Delhi, dated the 5th Oct., 1968.

Subject:- House Building Advance Rules - Reconveyance
of properties after the advance, with interest,
has been recovered.

.....

The undersigned is directed to invite an attention to Rule 8(d) of the House Building Advance Rules which prescribes that after the advance, together with interest due thereon, has been fully recovered, the property mortgaged as security for the advance, should be reconveyed to the Central Government Servant in Form No.7 appended to the Brochure on the Rules. A question has been raised whether this Reconveyance Deed should be registered and if so, who should bear the expenses. Further, whether the mortgage Deed and Sale Deed etc. deposited by the loanee with his Head of Department should be returned to him after the Reconveyance Deed has been executed and whether any formal receipt thereof should be taken.

The matter has been considered in consultation with the Ministry of Law and it has been decided that

- 1) the Reconveyance Deed should be executed by the Head of Department who generally accepts the mortgage Deed on behalf of the President;
- 2) the Reconveyance Deed should be got registered as Registration is compulsory under Section 17(1)(c) of the Registration Act, 1908.
- 3) after the Reconveyance Deed has been executed and registered, the mortgage deed, the Sale Deed and such other documents deposited by the loanee should be returned to him and a receipt therefor should be taken and kept on record alongwith a copy of the Reconveyance Deed.
- 4) the expenses in connection with the execution/ registration of the Reconveyance Deed shall have to be borne by the loanee unless the execution/ registration of such deeds by the Central Government is exempt.



(K. Srinivasan)

Under Secretary to the Govt. of India.

To

1. All Ministries of the Govt. of India with 10 spare copies each.
2. Spare copies 247.

RP/8.10.68

S. No 25
132

Government of India,
Ministry of Works, Housing & Supply.
....

No. H.II-27(5)/54.

New Delhi, the 12th April, 1956.

OFFICE MEMORANDUM.

Sub:- Revival of House-building advances.

The undersigned is directed to refer to Office Memorandum No. H.II-3(5)/54-Vol.II, dated the 23rd November, 1954, from this Ministry, informing all the Ministries etc. of the Government of India that the terms of assistance, form of application etc. in connection with the grant of loans to Central Government servants under the Low Income Group Housing Scheme, were being worked out and that they will be communicated to all concerned in due course. It has since been decided, instead, to revive the House-building advances (which were discontinued in 1937) for the benefit of Central Government servants. Five copies of the Rules framed for regulating the grant of these advances and of the proforma for the submission of applications and the connected specifications and estimates, are enclosed. Additional copies, if required, will be supplied by this Ministry on demand.

2. Other forms required in connection with the Rules (such as Surety Bond, Agreement, Mortgage Deed, etc.) are being drawn up and will be circulated to all concerned in due course. The question as to whether such of the Central Government employees as are not eligible for the grant of an advance under the above Rules, should be allowed to avail of financial assistance from their respective State Governments under

the Low Income Group Housing Scheme (subject to their being eligible for aid under that Scheme), is also under consideration separately.

3. Rule 9 indicates the procedure that has been prescribed for dealing with applications which may be submitted by those eligible for the grant of advances under these Rules. Since the funds for the grant of these advances are limited, it has been decided that for the present, applications from only such Central Government servants should be entertained as are permanent and in addition, happen to be in possession of a plot of land on which construction can commence immediately on receipt of the advance applied for. This restriction will be relaxed as soon as circumstances permit.

4. The Ministries of Home Affairs, etc. are requested to furnish a list of the Heads of Departments under them who will be sanctioning these advances, to this Ministry with the least possible delay. The Heads of Departments may also be advised that until printed forms are made available, applications may be submitted in the prescribed proforma typewritten on one side of the paper only, and that all correspondence on the subject with this Ministry should be carried out through self contained official communications only.

5. The Comptroller and Auditor General of India has concurred in the above Rules being made applicable to the employees of the Indian Audit Department.

(T.N. Srivastava)

Under Secretary to the Government of India.

To

All the Ministries of the Government of India.— Five Copies each.

Copy forwarded to:-

1. The Comptroller and Auditor General of India.
2. Supreme Court.
3. U.P.S.C.
4. Cabinet Secretariat.
5. Planning Commission.
6. Department of Parliamentary Affairs.
7. Lok Sabha Secretariat.
8. Rajya Sabha Secretariat.
9. Prime Minister's Secretariat.
10. Partition Secretariat.
11. Military Secretary to the President.
12. Election Commission of India.
13. Community Projects Administration.
14. Programme Evaluation Organisation.
15. Department of Atomic Energy.

(T.N.Srivastava)

Under Secretary to the Government of India.

Copy also forwarded to :-

1. All Attached and Subordinate Offices directly under the Ministry of WH&S.
2. All Officers and Sections in the Ministry of Works, Housing & Supply.

(T.N.Srivastava)

Under Secretary to the Government of India.

Copy with 5 spare copies forwarded to the Ministry of Finance (Works Division) with reference to their M.O. No. 8627-2/66, dated 10th April, 1966 for communication to the audit authorities concerned.

(T.N.Srivastava)

Under Secretary to the Govt. of India.

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GOVERNMENT OF INDIA
MINISTRY OF WORKS, HOUSING AND SUPPLY

Rules to regulate the grant of advances to
Central Government servants for building
etc. of houses.

1. Eligibility :

House building advance may be granted to the following categories of Central Government servants :-

- (a) Permanent Central Government servants.
- (b) Central Government servants not falling in Category (a) above who have rendered at least 10 years' continuous service, provided
 - (i) they do not hold a permanent appointment under a State Government; and
 - (ii) the sanctioning authority is satisfied that they are likely to continue in the service of the Central Government at least till the house for which the advance is sanctioned, is built and/or mortgaged to Government.

Note (i):- The term "Central Government servant" as used in these Rules does not cover employees of Part 'C' States.

Note(ii):- In cases where both the husband and wife happen to be Central Government servants and eligible for the grant of advance, it shall be admissible to only one of them.

2. Conditions to be fulfilled :-

An applicant for the grant of an advance must satisfy the following conditions :-

- (a) He must not have availed of any loan or advance for acquisition of a house in the past from any Government source (e.g., Ministry of Rehabilitation, or a Central or State Housing Scheme), or drawn an advance or made a final withdrawal from his Provident Fund in connection with the

acquisition of a house. Provided, however, where the loan or advance etc. already availed of does not exceed the amount admissible under these rules, it would be open to the Government servant concerned to apply for an advance under these rules on condition that he undertakes to repay the outstanding loans, advances etc. [together with interest (if any) thereon] forthwith in one Lump sum to the Ministries/ Departments concerned.

- (b) Neither the applicant, nor the applicant's wife/ husband/minor child must be the owner of a house. However, this condition may be relaxed by Government in exceptional circumstances; for example, if the applicant or the applicant's wife/husband/minor child owns a house in a village, and the applicant desires to settle down in a town; or where an applicant happens to own a house jointly with other relations etc. and he desires to build a separate house for his bona fide residential purposes.
- (c) The floor area of the house to be constructed or purchased must not be less than 380 sq.ft.

3. Purposes for which advance may be granted:-

An advance may be granted for -

- (a) constructing a new house (including acquisition of a suitable plot of land for the purpose), either at the place of duty or at the place where the Government servant proposes to settle after retirement. Applications for advance for purchasing a ready-built house, or for repayment of any outstanding amounts on account of loans expressly taken for the purpose aforesaid before the date of receipt of the application for advance, may also be considered.

- (b) enlarging living accommodation in an existing house owned by the Government servant concerned, provided the total cost of the proposed additions and extensions does not exceed Rs.10,000/-.

4. Amount of advance:-

- (a) Not more than one advance shall be sanctioned under these Rules to a Government servant during his entire service.
- (b) Applicants may be granted an advance not exceeding 24 months' pay (including Dearness pay where admissible) subject to a maximum of Rs.25,000 in cases covered by rule 3(a) above and Rs.10,000 in cases falling under rule 3(b) above. The actual amount of advance to be sanctioned will be determined by the Ministry of Works, Housing and Supply on the basis of plans and detailed specifications and estimates to be furnished by applicants justifying the amount of advance applied for, and shall in no case exceed the estimated cost of construction/purchase/redemption within the ceilings prescribed above.

5. Disbursement and Security :-

- (a)(1) Advance required partly for purchase of land and partly for constructing a new house or enlarging living accommodation in an existing house shall be paid as follows:-

- (i) An amount not exceeding 20% of the sanctioned advance will be payable to the applicant for purchasing a plot of land on his executing an agreement in the prescribed form for the repayment of the advance. In all cases in which part of the advance is given for the purchase of land, the land must be purchased and the sale-deed in respect thereof produced for the inspection of the Head of the Department concerned within two months of the date on

which the above amount of 20% is drawn, failing which the applicant shall be liable to refund at once the entire amount to Government together with interest thereon.

(11) An amount equal to 30% of the balance of the advance will be payable to the applicant on his mortgaging in favour of the Government the land purchased by him along with the house to be built thereon where such mortgage is permitted by the terms of the sale of land. In cases where the terms of sale do not vest title in the purchaser till a house is erected on the land, the applicant shall execute an agreement with the Government in the prescribed form agreeing to mortgage the land together with the house to be built thereon, as soon as the house has been built and the title to the property is complete.

(iii) An amount equal to 40% of the amount remaining after deducting from the sanctioned amount of the advance, the instalment given for the purchase of land, will be payable when the construction of the house reaches plinth level.

(iv) The balance of the sanctioned advance will be payable when the construction of the house has reached roof level, provided the Head of Department is satisfied that the development of the area in which the house is built is complete in respect of amenities such as water supply, street lighting, roads, drainage and sewerage.

(2) Advance required only for constructing a new house or enlarging living accommodation in an existing house shall be paid as follows :-

(i) An amount equal to 30% of the sanctioned

advance will be payable to the applicant on his mortgaging in favour of the Government the land purchased by him along with the house to be built thereon where such mortgage is permitted by the terms of the sale of land. In cases where the terms of sale do not vest title in the purchaser till a house is erected on the land the applicant shall execute an agreement with the Government in the prescribed form agreeing to mortgage the land together with the house to be built thereon, as soon as the house has been built and the title to the property is complete.

(ii) A further amount not exceeding 40% of the sanctioned advance will be payable when the house has reached plinth level.

(iii) The remaining 30% of the sanctioned advance will be payable when the house has reached roof level, provided the Head of Department is satisfied that the development of the area in which the house is built is complete in respect of amenities such as water supply, street lighting, roads, drainage and sewerage.

(3) Advance required either for purchasing a ready built house or for repaying a loan taken by the applicant for constructing or purchasing a house shall be paid as follows:-

The Head of Department may sanction payment of the entire amount required by, and admissible to the applicant in one lump sum on the applicant's executing an agreement in the prescribed form for the repayment of the loan. The acquisition of the house must be completed, and the house mortgaged to Government within 3 months of the drawal of the advance, failing which the advance together with the interest thereon shall be refunded to Government

forthwith, unless an extension of this time limit is granted by the Head of Department concerned.

(b) In addition to their executing the agreement/ mortgage referred to in sub-para (a) above, the following three categories of applicants shall also be required to furnish the surety of an approved permanent Central Government servant in the prescribed form before the sanctioned advance or any part thereof is actually disbursed to them :-

- (i) all applicants who are not permanent Central Government servants.
- (ii) all applicants who are due to retire from service within a period of 18 months following the date of application for the grant of an advance.
- (iii) all applicants who are permanent Central Government servants but not covered by sub-para (ii) above if they require the advance for purchase of a ready built house or repayment of earlier loan(s) taken for constructing/purchasing a house.

Note (i):- The liability of the surety will continue till the house built/purchased/redeemed is mortgaged to Government or till the advance together with interest due thereon is repaid to Government, whichever happens earlier.

Note (ii):- Utilisation of the advance for a purpose other than that for which it is sanctioned shall render the Government servant liable to disciplinary action under the C.C. & A. Rules, apart from his being called upon to refund to Government forthwith the entire advance drawn by him.

6. Interest:-

Advances granted under these rules shall carry simple interest from the date of advance - the amount of interest being calculated on the balances outstanding on the last day of each month. The rate has been provisionally fixed at 4½% per annum and will be subject to review.

7. Construction, maintenance etc. :-

(a) The construction of the house or additions to living accommodation in an existing house, (as the case may be) shall be -

(i) carried out exactly in accordance with the approved plan and specifications on the basis of which the amount of the advance has been computed and sanctioned. The plan and specifications must not be departed from without the prior concurrence of the Ministry of Works, Housing and Supply. The Government servant shall certify, when applying for instalments of advance admissible at the plinth/roof level, that construction is being carried out strictly in accordance with the plan and estimates furnished by him to the Government of India, that the construction has actually reached plinth/roof level, and that the amount already drawn has actually been used on the construction of the house. The Head of Department may, if necessary, arrange to have inspection carried out to verify the correctness of the certificates.

(ii) completed within 18 months of the date on which the first instalment of the advance is paid to the Government servant concerned. Failure to do so will render the Government servant liable to refund the entire amount advanced to him (together with interest thereon calculated as in rule 6 above), in one lump sum. An extension of the time limit may be allowed upto one year

Contd.....

by the Head of Department, and for longer period by Government, in those cases where the work is delayed due to circumstances beyond his control. The date of completion must be reported to the Head of Department concerned without delay.

- (b) Immediately on completion or purchase of the house, or redemption as the case may be, the Government servant concerned shall insure the house, at his own cost, with the Indian Insurance Companies Association Pool, Bombay for a sum not less than the amount of the advance and shall keep it so insured, against damage by fire, flood or lightning, till the advance is fully repaid to Government and deposit the policy with Government. The premia must be paid regularly and the premium receipts produced for inspection by the appropriate authority (Viz. Head of Office or Department concerned). The Head of Department/Accounts Officer will obtain from the Government servant drawing the advance, a letter to the Insurer with which the house is insured, to notify to the latter the fact that Government is interested in the insurance policy secured. The Head of Department/Accounts Officer will himself forward the letter to the Insurer and obtain his acknowledgement. In the case of insurances effected on annual basis, this process should be repeated every year until the advance has been fully repaid to Government.
- (c) The house must be maintained in good repair at his own cost by the Government servant concerned. He shall also keep it free from all encumbrances, and shall continue to pay all the Municipal and other local rates and taxes regularly until the advance has been repaid to Government in full. The Government

-:9:-

servant shall furnish an annual certificate to this effect to the Head of Department.

- (d) After the completion of the house, annual inspection may be carried out by any authorised officer under instructions from the Head of Department concerned, to ensure that it is maintained in good repair until the advance has been repaid in full. The Government servant concerned shall afford full facility for these inspections to the officer(s) designated for the purpose.

Note :- Furnishing of false certificates will render the Government servant concerned liable to suitable disciplinary action apart from his being called upon to refund to Government forthwith the entire advance drawn by him.

8. Repayment of the advance :-

- (a) The advance granted to a Government servant under these rules, together with the interest thereon shall be repaid in full by monthly instalments within a period not exceeding 20 years. First the recovery of the advance shall be made in not more than 180 monthly instalments, and then interest shall be recovered in not more than 60 monthly instalments.

Note (i):- The amount to be recovered monthly shall be fixed in whole rupees, except in the case of the last instalment when the remaining balance including any fraction of a rupee shall be recovered.

Note (ii):- Recovery of advance granted for constructing a new house or enlarging living accommodation in an existing house shall commence from the month following the completion of the house or the 13th month after the date on which the first instalment of the advance is paid to the Government servant, whichever is earlier. In the case of advances taken for purchasing a ready built house or for repaying earlier loans (including those from private parties) taken for purchasing or constructing a house, recovery shall commence from the pay of the month following that in which the advance is drawn.

Contd.....

Note (iii):-It will be open to Government servants to repay the amount in a shorter period if they so desire. In any case, the entire advance must be repaid in full (with interest thereon) before the date on which they are due to retire from service.

Note (iv):- In order to avoid undue hardship to a Government servant who is due to retire within 20 years of the date of application for the grant of an advance, the Head of Department may permit him to repay the advance with interest in convenient monthly instalments (the amount of which shall not be less than the amount of monthly instalment on the basis of repayment within a period of 20 years) during the remaining period of his service, provided he gives an undertaking to repay the entire outstanding balance before the date of retirement by making a final withdrawal from his Provident Fund in accordance with the provisions of the Ministry of Finance Office Memorandum No.F.37(1)-E.V/55, dated 25.1.55, and/or authorises the disbursing officer to deduct it from any gratuity that may be admissible to him.

Note (v):- In case the Government servant does not repay the balance of the advance due to Government on or before the date of his retirement, it shall be open to Government to enforce the security of the mortgage at any time thereafter, and recover the balance of the advance due together with interest and cost of recovery, by sale of the house or in such other manner as may be permissible under the Law.

(b) Recovery of the advance shall be effected through the monthly pay/leave salary bills of the Government servants concerned by the Head of the Office or the Accounts Officer concerned, as the case may be. These recoveries will not be held up or postponed except with the prior concurrence of Government.

(c) If a Government servant ceases to be in service for any reason other than normal retirement/superannuation, or if he/she dies, before repayment of the advance in full, the entire outstanding amount of the advance shall become payable to Government forthwith. Government may, however, in deserving cases, permit the Government servant concerned, or his successors in interest as the case may be, or the sureties

in cases covered by rule 5 (b) if the house has not been completed and/or mortgaged to Government by that time, to repay the outstanding amount together with interest thereon calculated as in rule 6 above, in suitable instalments. Failure on the part of the Government servant concerned or his successors (as the case may be) to repay the advance for any reason whatsoever, will entitle the Government of India to enforce the mortgage and take such other action to effect recovery of the outstanding amount as may be permissible.

- (d) The property mortgaged to Government shall be reconveyed to the Government servant concerned (or his successors in interest as the case may be), after the advance together with the interest thereon has been repaid to Government in full.

9. Procedure for dealing with Applications :-

(a) Applications should be submitted by Government servants to the Head of their Department in the prescribed form (in duplicate) through proper channel. The following documents should accompany the applications:-

- (i) a declaration in regard to house property, if any, owned by the applicant or the applicant's wife/husband/minor children at the time of application.
- (ii) If the advance is required for enlarging living accommodation in an existing house, or for repaying earlier loans taken for constructing or purchasing a house, an attested copy of the sale deed as well as of other documents if any, establishing that the applicant possesses indisputable title to the property in question. A site plan should also be furnished. Where advance is required for repayment of earlier loan(s), authentic evidence indicating

the outstanding amount(s) of the loan(s) in question should also be furnished.

(iii) In cases where applicants happen to be in possession of land and desire to build a new house on it, a copy of the sale deed or other proof of the applicant having clear title to land on which the house is proposed to be built, along with a site plan. If the land happens to be lease-hold, an attested copy of the lease-deed should also be enclosed.

(b) The Heads of Departments will scrutinise the application and satisfy themselves of the correctness of the facts etc., stated therein. They will also examine the title deeds etc. furnished in compliance with sub-rules (ii) and (iii) above (in consultation with their Law Officers and the Revenue and Registration authorities, if necessary) to make sure that the applicant does, in fact, possess a clear title to the property in question. After this has been done, the Heads of Departments will forward the applications to the Ministry of Works, Housing and Supply along with their recommendations.

(c) The Ministry of Works, Housing and Supply will examine the applications with reference to the priorities etc. if any, laid down for dealing with them. Subject to funds being available, the applications will be returned to the Heads of Departments concerned indicating -

(i) the amount of advance that may be sanctioned by the Heads of Departments where it happens to be required partly for purchasing a plot of land for constructing a house (see also sub-rules d(ii) and (e) below), or required for repaying earlier loan(s) taken for constructing or purchasing a house, or for

Contd.....

purchasing a ready built house.

(ii) the monetary limit upto which the grant of an advance could be considered, in due course, in other cases (viz. for constructing a new house or for increasing living accommodation in an existing house).

(d) On receipt of the approval of the Ministry of Works, Housing and Supply -

(i) formal sanction to the grant of advance to applicants in cases covered by sub-rule (c)(i) above will be accorded by the Head of Department concerned who shall also arrange to complete the prescribed formalities, such as execution of Agreement, Mortgage Deed, Surety Bond, undertaking, etc. in the prescribed forms (in consultation with appropriate legal authorities, where necessary), and then authorise disbursement of an appropriate amount out of the sanctioned advance to the applicant. Where land or a ready built house is intended to be purchased with the help of the advance, the Head of Department may, before authorising payment of the advance, also require the Government servant concerned to certify that negotiations for the purchase have reached concluding stages, that the purchase price is not likely to be less than the amount of advance sanctioned, and that he has satisfied himself that the transaction will enable him to acquire indisputable title to the land/house in question: in such cases, the sale deeds etc. should be examined by the Head of Department carefully (in consultation with legal and other authorities where necessary) to ensure that the Government servant concerned has actually acquired indisputable title to the property in question. It should also be verified that the market value of the land/house purchased is not less than the advance sanctioned.

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- (ii) the Heads of Departments shall instruct applicants desirous of constructing a new house or enlarging living accommodation in an existing house, to furnish two copies of plans, as well as specifications and estimates in the prescribed proforma. The plans must be got duly approved by the Municipality or other local body concerned before submitting them to Government.
- (e) The plans, specifications and estimates referred to in sub-rule (d)(ii) above should be referred to the Ministry of Works, Housing and Supply with reference to the earlier correspondence on the subject. The Ministry of Works, Housing and Supply will, after examining all these details, inform the Head of Department of the maximum amount of advance that could be granted to the applicant concerned. On receipt of the recommendations of the Ministry of Works, Housing and Supply, the Head of Department will accord formal sanction to the grant of the advance, or, if necessary, amend the original sanctions issued in cases where the advance is required partly for purchasing a plot of land (see sub-rules (c)(i) and (d)(i) above). The Head of Department shall also attend to all formalities as explained in sub-rule (d)(i) above, and then authorise disbursement of the first instalment of advance for construction purposes to the applicant. The payment of remaining two instalments of advance may be authorised by the Heads of Departments direct on the basis of certificates to be furnished by the applicants as prescribed in rule 7(a) and such inspections as may be deemed

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necessary. It should also be verified, before disbursing the last instalment of the advance, that the development of the site has been completed (vide rule 5(a) above).

- (f) The Head of Department shall also ensure that the transaction/construction of the house is completed within the period prescribed in the rules, and that -
- (i) the prescribed mortgage deed is executed immediately on completion/redemption/purchase of the house, and the document kept in safe custody after registration.
 - (ii) the house is insured in the manner indicated in rule 7(b) above, immediately on its purchase/completion/redemption, and that the premium receipts are regularly produced for inspection.
 - (iii) the house is maintained in good repair and that the necessary insurance premia and Municipal rates and taxes are paid regularly, and the requisite certificate furnished annually, until the advance has been repaid in full.
 - (iv) monthly recovery of instalments of repayment of the advance commences from the due date and is made regularly from the pay/leave salary bill of the Government servant concerned thereafter.
 - (v) in the case of Government servants likely to retire within 18 months of the date of their application for the advance (see rule 5(b) above), the amount of their Provident Fund and gratuity will be adequate to cover the balance of the advance outstanding against them just before the date of their retirement and that in such cases any applications for advance/withdrawal from their Provident Fund subsequent to the grant of house-building advances under these rules, should not

be ordinarily entertained.

- (vi) any amount drawn in excess of the expenditure incurred, is refunded by the Government servant concerned to Government forthwith together with the interest, if any, due thereon.
- (vii) the property mortgaged to Government is released immediately on the repayment of the advance and the interest thereon in full.
- (g) To enable the Ministry of Works, Housing and Supply to watch the disbursement of funds and the progress on the construction of houses, each Ministry of the Government of India will send them a consolidated quarterly progress report (in respect of all the Departments and offices under it) by the end of the month following the quarter to which it relates, in the prescribed proforma.

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BhatiaRK:
11.4.1956

**GRANT OF ADVANCE FOR PURCHASE OF LAND OR PART/FULL CONSTRUCTION,
ENLARGEMENT, ETC., OF A HOUSE**

APPLICATION FORM
(To be filled by the applicant)

GENERAL

1. Name (in Block Letters) :
2. Ministry/Office :
3. Post held
i) Permanent
ii) Temporary
4. Length of Service on the date of application :
5. Present pay with pay scale :
6. Whether governed by Pension Rules :
7. Date of superannuation :
8. Amount of Provident Fund/any other advance/final withdrawal taken for purchase of land/
Construction (an attested copy of the sanction to be enclosed)

PARTICULARS RELATING TO ADVANCE :

9. If advance is needed for purchase of a plot and/or for construction of a new house, please give the following information :-

A. PLOT

Location with address	Rural/ Urban	Is it clearly demarcated and developed	Approximate area (in Sq. mtrs)	a)Cost b)Amount actually paid	If not purchased when proposed to be acquired	Unexpired portion of lease if not freehold
1	2	3	4	5	6	7

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B. CONSTRUCTION

Floor-wise area to be constructed in (sq. mtrs.)	Estimated cost	Amount of advance required (for land/ construction/both)	No. of instalments for repayment
8	9	10	11
Gr. Floor			
I Floor			
II Floor			

10. If advance is required for enlarging the existing house, please state :

Location with address	Plinth area (in sq.mtrs.)	Plinth area proposed for enlargement (in sq. mtrs)	Cost of construction/acquisition of existing House	Cost of proposed Enlargement	Total plinth area (2+3)	Total cost (4+5)	Amount of advance required	No. of instalments for repayment
1	2	3	4	5	6	7	8	9

(NOTE : If the enlargement is proposed on any floor other than ground floor, a certificate from an approved Engineer to the effect that foundations of the existing structure can safely take the load of the proposed enlargement, should be enclosed.)

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11. If advance is required for purchasing a ready-built house/flat, please state :-

Location with address	Plinth area (in sq. mtrs.)	When constructed	Price settled	The agency from whom to be purchased	Amount a)Already Paid b)To be paid	Amount of advance required	No. of instalments for repayment
1	2	3	4	5	6	7	8

MISCELLANEOUS

12. If you or any dependent member of your family already own(s) a house, please state :-

Location with address	Plinth area (floor-wise)	Present fair market value Rs.	Reasons for acquiring another house or enlarging the existing house
1	2	3	4

13. Have you enclosed - a) the relevant construction plan :
Approved by the Municipal authority concerned; and

b) detailed construction estimates based on Central/State :
PWD Schedule, prevailing in the area corrected as per
Relevant cost of index duly signed by qualified Engineer

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Declaration

1. I solemnly declare that the information furnished by me in reply to the various items indicated above is true to the best of my knowledge and belief.
2. I have read the rules regulating the grant of advances to Central Government servants for purchase of land and Purchase/construction of buildings, etc., and agree to abide by the terms and conditions stipulated therein.
3. I certify that :
 - i) my wife/husband is not a Central Government servant/my wife/husband who is a Central Government servant, has not applied for and/or obtained an advance under these rules ;
 - ii) neither I nor my wife/husband/minor child has applied for and/or obtained any loan or advance for acquisition of a house in the past from any Government source (e.g., Ministry of Rehabilitation or under any Central or State Housing Scheme);
 - iii) the construction of the house for which the advance has been applied for, has not yet been commenced.

Station_____

Signature of the Applicant_____

Dated_____

Designation_____

Emp. Code No._____

Telephone/Intercom No._____

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No. I/17015/50/77-H.III
Government of India
Ministry of Works & Housing

... New Delhi, dated: 3.11.1978.

OFFICE MEMORANDUM

Subject:- Grant of House Building Advance to Central Govt.
servants - Order of priorities for -

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Funds for sanctioning House Building Advances were allocated to various Ministries/Departments in this Ministry's Office Memo. No. I/17015/50/77/H.III dated 18.5.78. Since then, various Ministries have been asking for additional funds as the funds already allotted are stated to be in-sufficient to meet their requirements. Additional funds have been given to some Ministries, as a very special case, to meet the pressing demands. The overall position of funds available with this Ministry is very tight and even with the availability of some additional funds in the Revised Estimate for this year, it will be possible to meet the demand for additional funds only partially.

2. In order to ensure that expenditure on House Building Advances is limited to the allocations made to the Ministries and at the same time keeping in view the hardship caused to those applicants who have commenced construction of their houses and are awaiting release of second and subsequent instalments, it has been decided that the House Building Advances may be sanctioned within the allocated funds according to the priorities, as indicated below:-

- (i) The first priority may be accorded to construction cases where commitments have already been made i.e. 1st instalment has been released for construction and 2nd and subsequent instalments have to be released at plinth and roof levels.
- (ii) The second priority may be for those applicants who are due to retire shortly - say within the next 5 years as any delay in their case will further reduce the period of recovery, thereby affecting the quantum of advance.
- (iii) The next priority may be accorded to applications for purchase of ready-built flats where the City Housing Boards, Development Authorities or even private parties have fixed a time limit for payment, and non-payment by the due date is likely to result in cancellation of allotment or offer to sell; in the case of latter, there is the risk of earnest money paid by the applicant being forfeited.
- (iv) In the last category may fall applications not covered by above.

3. All the Ministries/Departments are requested to keep the above priorities in view while sanctioning the House Building Advance. Suitable instructions, on these lines, may also please be issued to all subordinate formations to whom powers to sanction House Building Advance have been delegated.


(A.P. Jain)

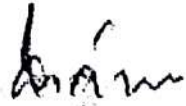
Under Secretary to the Govt. of India

To

1. All the Ministries/Department of the Government of India (As per list).
2. The Union Territories without legislature (As per list).

Copy forwarded to:-

1. Finance Division(W&E), Ministry of Works & Housing, New Delhi.
2. Ministry of Finance(Department of Expenditure), New Delhi.
3. Ministry of Finance (Department of Economic Affairs - Budget Divn.), New Delhi.
4. P.S. to Secretary/J.S.(F).
5. All Officers/Desks/Sections in the Ministry of Works & Housing.
6. Spare copies folder (10 copies).


(A.P. Jain)

Under Secretary to the Govt. of India

LR/3(p.2).

(103) (93)

No.I/17011/5/75-HIII
Government of India
Ministry of Works and Housing
(Nirman, Aur Awast Mantralaya)


New Delhi, dated the 5th July, 1975

OFFICE MEMORANDUM

Subject:- House Building Advance to Central Government Servants -
Release of instalments of advance to Officials under
suspension.

The undersigned is directed to say that many references have been received in this Ministry from certain Departments seeking clarification that in case some disciplinary action is pending against a Central Government servant and/or he is placed under suspension, as to whether or not the house building advance should be sanctioned, or if advance has already been sanctioned, whether or not the instalments of advance should be disbursed.

Since there is no specific provision in the existing House Building Advance Rules as to whether or not the payment of house building advance should be made to the individuals who are placed under suspension, the matter was, therefore, referred to the Ministry of Law. It has now been decided, in consultation with the Ministry of Law that an official under suspension is prevented from carrying out his normal duties but continues to be a Government servant, and receives subsistence allowance, his other rights and obligations should not be affected. As such the Central Government Servants, who are placed under suspension, continue to be eligible for advance and payment on this account can be made to them by the Head of the Department subject to the condition that collateral security in the shape of mortgage bond from two permanent Central Government Servants should be obtained so that in the event of default or belated payment or insufficient money being available by foreclosure, etc. the shortage of recovery may be made up by collateral security.


(Y.V. Naranje)

Under Secretary to the Govt. of India

To

- All the Ministries/Departments of the Govt. of India (as per standard list).
2. All Chief Secretaries/Administrators of State Govts. Union Territories.
3. P.S. to H.M./DM/Secretary.
4. Supreme Court of India
5. All Officers/Sections in the Ministry of Works & Housing.
6. Amendment to Rules. 7. Comptroller & Auditor General of India.
8. Information Officer.
9. Spare copies 400.

Government of India
Ministry of Urban Development
(Housing-III Section)

New Delhi, dated the December, 89.

OFFICE MEMORANDUM

12 DEC 1989

Subject:-Release of instalment of House Building Advance to officials under suspension after obtaining Collateral Security.

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The undersigned is directed to invite attention to this Ministry's O.M.NO.I/17011/5/75/H.III dt. 5.7.75 wherein it has been clarified that the Central Govt. servants, who are placed under suspension, continue to be eligible for house building advance and payment on this account can be made to them by the Head of the Deptt. subject to the condition that Collateral Security in the shape of Mortgage Bond from two permanent Central Govt. servants should be obtained so that in the event of default or belated payment or insufficient money being available by foreclosure etc., the shortage or recovery may be made from Collateral Security.

2. In this regard references have been received in this Ministry for drawing a standard form of Mortgage for the purpose of Collateral Security. The form of Mortgage for this purpose has been drawn up in consultation with the Ministry of Law and the same is annexed to this O.M.

3. It is further clarified that the mortgagor of the required Deed that is the permanent govt. servants who mortgage their property as Collateral Security in order to make the govt. servant under suspension eligible for house building advance, will be required to bear the stamp duty.

Encl:As above

S. Balakrishnan

(S. Balakrishnan)

Under Secretary to the Govt. of India

To: All Ministries/Depts. of Government of India.

1. Union Territory Administration of Delhi, Chandigarh, Lakshadweep, Dadra & Nagar Haveli & Andaman & Nicobar Islands. ..2..
2. Comptroller & Auditor General of India, New Delhi.
3. Finance Division (W&E), Ministry of Urban Development, New Delhi.
4. Spare Copies (50 copies).

I-17011/11(4)/2016-H.III
Government of India
Ministry of Housing & Urban Affairs
Housing-III Section

Nirman Bhawan, New Delhi,
Dated 31.01.2018.

OFFICE MEMORANDUM

Subject: Small Family Norms in House Building Advance Rules-2017 as per the recommendations of 7th CPC– reg.

The undersigned is directed to invite attention to Ministry of Finance's OM No. 12(4)/ 2016-EIII.A dated 7th July 2017 on the above mentioned subject and to say that interest rebate available to HBA beneficiaries for promoting small family norms shall cease to exist with effect from 01.07.2017.


(Shailendra Vikram Singh)
Director(IFD)
Tel:011-23062798

To,

All the Ministries and Departments of the Government of India, C&AG and UPSC, etc. as per standard endorsement list.

Copy for information to,

1. PS to MoS(I/c), H&UA
2. PSO to Secretary
3. PPS to JS&FA
4. Budget Division
5. US (Admn.), MoHUA
6. IT- Cell for uploading in Ministry website
7. Hindi Section for Hindi version.

No.I/17015/6/83/H.III
Government of India
Ministry of Works & Housing

New Delhi, dated the 8th Jan., 85.

OFFICE MEMORANDUM

Subject:--Liberalisation of House Building Advance Rules for Central Govt. Employees.

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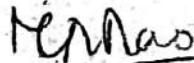
In this Ministry's O.M. of even number dated 7.4.84 it has been provided that the existing stipulation in the House Building Advance Rules that neither the applicant nor the applicant's wife/husband/minor child should own a house in Urban area for the Government servant to become eligible for HBA, has been deleted. This is however, subject to the condition that the applicant or the applicant's wife/husband/minor child should not already own a house in the ~~town~~ Urban agglomeration where the house is proposed to be constructed or acquired with the advance from Govt.

2. After the issue of orders, a question arose whether a Central Govt. servant, who is a member of HUF which owns a house situated at the same place should also be considered eligible for grant of House Building Advance to construct his house at the same place with the help of House Building Advance. After consideration of the matter, it has now been decided that, House Building Advance may be granted in such cases restricting it to 60% of what would have been admissible otherwise. In other words, the normal entitlement should be worked out in accordance with the Rules and it should be limited to 60% of the entitlement so worked out.

3. As a result of above, para VII of this Ministry's O.M.No.I/17015/6/83/H.III dated 7.4.84 has been amplified. A copy of the amplified para is enclosed for information and necessary action.

4. Hindi version of this O.M. is also enclosed.

Encl:
As above.



(M.R. RAO)

Under Secretary to the Govt. of India

...2/-

To

1. All the Ministries/Depts. of the Govt. of India.
2. Union Territory Administrations of Delhi, Chandigarh, Lakshadweep
Dadra & Nagar Haveli & Andaman Nicobar Islands.

Copy forwarded to:-

1. Comptroller & A.G. Of India, New Delhi.
2. Shri R. Parameswar, Additional Secretary (AR), D/O Personnel & A.R.,
New Delhi.
3. Shri S.C. Mahalik, J.S. (Pers), Ministry of Finance, Deptt. of Expend-
iture, New Delhi.
4. Shri S. Krishnan, J.S. (JCM), D/O Personnel & A.R., New Delhi.
5. Finance Division (W&E), M/O Works & Housing, New Delhi.
6. M/O Finance (Deptt. of Expenditure), New Delhi.
7. PS to HM/DM.
8. PS to Secretary.
9. PS to J. Secretaries in the Ministry of Works & Housing.
10. All Officers/Desk Officers/Sections in the Ministry.
11. Information Officers, M/O W&H, New Delhi (Shastri Bhavan).
12. All attached and subordinate offices under the M/O Works & Housing.
13. U.S., JCA., Deptt. of Personnel & A.R., New Delhi (with 50 copies for
Members of JCM National Council).
14. Sanction File (10 Copies).
15. Spare Copies folder (50 Copies).



(M.R. RAO)

Under Secretary to the Govt. of India

No. I/17015/12/25-H-III
Government of India
Ministry of Urban Affairs and Employment
(Housing-III Section)

.....
New Delhi, dated the 16th June, 1995.

OFFICE MEMORANDUM

Subject: Insurance of houses/flats constructed or acquired with the help of house building advance - Condonation of the period of non-insurance.


In accordance with the rules governing the grant of house building advance to the Central Government employees who construct/acquire houses/flats with the help of house building advance are required to get the same insured against fire, flood and lightning soon after the completion/acquisition. Heads of Departments were delegated powers to condone the non-insurance of houses upto a period of one year under the erstwhile Ministry of Works and Housing O.M. of even number dated 31.7.85.

2. Ministry of Railways etc. having a large number of employees spread all over the country, have sought enhancement of the delegation as regard to regularisation of non-insurance period. The matter has been examined in this Ministry and it has been decided to enhance the powers of the Head of Departments from the existing limit of one year to two years for condonation of the non-insurance of houses by employees. Accordingly, the Administrative Ministries/Departments will, henceforth be competent to condone the periods of non-insurance of houses/flats upto two years. While deciding individual cases the Head of Departments shall satisfy themselves that the house had not suffered any loss/damage etc. and irregularity was not deliberate on the part of the Government employees concerned but was due to the circumstances beyond his/her control.

3. Cases of non-insurance of houses beyond two years should be referred to this Ministry.

4. In so far as the employees working in Indian Audit and Accounts Department are concerned, this issues with the concurrence of C&AG of India.

5. Hindi version is enclosed.


(I.L. Bansal)
Under Secretary(H.II)
Tel.No. 3018691.


To

All Ministries/Departments of Govt. of India.

2. Union Territory Chandigarh, Lakshadweep, Dadra & Nagar Haveli
& Andaman & Nicobar Island.

Copy forwarded to:

1. C&A.G. of India, New Delhi.
2. Ministry of Finance (D/O Expenditure).
3. Deptt. of Personnel & Training, JCA Division.
4. Supreme Court of India.
5. Guard file.


(I.L. Bansal)
Under Secretary (H. III)

No. I – 17011/12/2002-H.III/
Government of India
Ministry of Housing & Urban Affairs
(Housing-III-Section)

Nirman Bhavan, New Delhi
Dated: 3rd October, 2024.

OFFICE MEMORANDUM

Subject: Compliance with the terms and conditions attached with the sanction of House Building Advance (HBA)-reg.

Instructions have been issued from time to time to all Ministries and Departments of the Government of India to ensure compliance of all terms and conditions attached with the sanction of House Building Advance (HBA) as per provisions of the extant HBA Rules.

2. This Ministry vide OM No. I-17011/12/2002-H.III dated the **9th January, 2003 (copy attached)** has issued instructions to ensure compliance attached with the sanction including those relating to insurance and mortgage by all the concerned loanee government servants. Moreover, provisions have also been made for condonation/relaxation in these terms and conditions in cases where the circumstances are beyond the control of the loanee government servant and supported by recommendation of the concerned Joint Secretary/ Head of Department.

3. However, it has been observed that the cases involving condonation/relaxation of non-mortgaging and non-insurance periods etc. are being referred to this Ministry in routine manner without adequate examination. It is seen that in some cases, supporting documents justifying reasons for relaxation are not provided whereas in some, proposals are referred without the specific recommendation of the concerned Joint Secretary.

4. It is once again impressed upon all the Ministries/Departments of the Government of India that the compliance of all the terms and conditions of HBA rules should be strictly monitored in the interests of both, the loanee government employee as well as the Government of India.



5. Requests of loanee Govt. employee(s) seeking any relaxation/condonation of condition of HBA sanction/Rules including those of mortgage and insurance should be thoroughly examined by the Administrative Ministry/Department on case to case basis on its merits and documentary supports provided with the request by the employee. If they are satisfied with the justification/merits of the case, then only the case be referred to this Ministry **with concurrence of Finance Division and specific recommendation of the concerned Joint Secretary/Head of Department** for condonation/relaxation of the provisions of the HBA rules/sanction with all the details in the prescribed proforma (**ANNEXURE-I**) along with all the supporting documents (**ANNEXURE-II**) certifying that the circumstances leading to non-compliance of HBA rules are beyond the control of the government servant.

6. Further, all the Ministries/Departments are requested to keep a strict watch over compliance of the provisions of HBA rules by the loanee government employee.

7. This OM supersedes all the earlier relevant orders on the subject.

This issues with the approval of competent authority.



(Ram Singh)
Deputy Secretary to the Government of India
Tel. No. 011-23061358

To

1. All the Ministries/Department of the Government of India
2. All the attached and subordinate offices of Ministry of Housing & Urban Affairs.
3. Union Territories of Andaman & Nicobar Islands, Chandigarh, Dadra and Nagar Haveli and Daman & Diu, Lakshadweep.
4. Office of the Comptroller and Auditor General of India.
5. Supreme Court of India.

ANNEXURE-I**Information required in cases of relaxation/condonation of terms and conditions of HBA sanction:**

S.NO.	Requisite documents	Information
1	HBA sanctioning Ministry/Department	
2	i) HBA sanctioned amount ii) Year of sanction (copy of Sanction letter to be attached)	
3	Property details:- i) Type of property purchased and its address ii) Name of details of the seller agency iii) Date of completion of construction/date of possession of the property	
4	Possession letter of the flat or completion certificate of the house (copy to be attached).	
5	Is loanee still in service? Yes/No	
6	Present employer of the loanee	
7	All dues paid by loanee G/S? (Advance with interest & penal interest) Yes/No [Certificate in this regard is to be attached]	
8	Municipal taxes, if any, paid until the recovery of HBA	
9	Any other loans/advance exists for property in question? Yes/No	
10	Is Reconveyance Deed executed?	
11	Period of non-mortgage and non-insurance with details	
12	Request of the loanee G/S for condonation of the lapses with justification supported by documents.	
13.	Views of the HBA sanctioning Ministry/Department on justification for non-compliance of HBA rules. [A certificate in this regard is to be given by the concerned Ministry/Department duly certifying that the non-compliance of conditions of HBA sanction were beyond the control of the loanee Govt. Servant]	
14.	Is concurrence of Finance Division obtained? Yes/No	
15.	Is the case approved by JS (Admn)? Yes/No	

ANNEXURE-II

Documents required in cases of relaxation/condonation of terms and conditions of HBA:

1. HBA Sanction Order
2. Possession letter of the property
3. Mortgage Papers of the property
4. Insurance papers
5. Reconveyance Deed
6. Request letter of the loanee for condonation of the lapses with justification supported by documents.
7. Certificate regarding payment of all dues including interest and penal interest by the loanee.
8. Municipal tax receipts if the property was not insured during the recovery of HBA.





No.I-17011/12/2002-H.III
Government of India
Ministry of Urban Development & Poverty Alleviation
(Housing III Section)

New Delhi, 9th January 2003

OFFICE MEMORANDUM

Subject: - Compliance with the terms and conditions attached with the sanction of Housing Building Advance (HBA).

Instructions have been issued from time to time to all the Ministries and Departments of the Government of India to ensure that all the terms and conditions attached with the sanction of House Building Advance (HBA) to government employees under the rules including those relating to insurance and mortgaging are duly complied with by all the concerned loanee government servants. Provisions have also been made for condonation/relaxation of these terms and conditions in cases where the circumstances are beyond the control of the loanee government servant provided the request of the loanee government servant for condonation/relaxation of terms and conditions of HBA rules are supported by recommendation of the concerned Joint Secretary/Head of Department.

2. However, it has been seen that the cases involving condonation/relaxation of non-mortgaging and non-insurance periods, etc. are being referred to this Ministry in a routine manner without adequate examination. Also, in the recent past, instances have come to notice that even in the cases where the loanee government servant has merely cited reason(s), which are not supported by any documentary evidence, for non-compliance of the conditions of mortgaging and insurance, etc. have been recommended and referred to this Ministry for condonation, with or without the approval of the concerned Joint Secretary/Head of Department. In such cases, this Ministry finds it difficult to verify the veracity of the plea of the concerned government servant and in the circumstances, the recommendation of the concerned Joint Secretary/Head of Department assumes a great significance in such cases.

3. It is once again impressed upon all the Ministries/Departments of the Government of India that the compliance of all the terms and conditions of HBA rules should be strictly monitored in the interests of both the loanee government employee as well as the Government of India. There should not be any hesitation in rejecting an unfit case. If any relaxation/condonation of provisions of HBA rules including those

of mortgaging and insurance is required at all, the Administrative Ministry/Department may thoroughly examine the case and if they are satisfied on the justification/merit of the case, then only the case be referred to this Ministry with the specific recommendation of the concerned Joint Secretary/Head of Department for condonation/relaxation of the provisions of the HBA rules along with all the supporting documents certifying that the circumstances leading to non-compliance of HBA rules are beyond the control of the government servant.

4. Further, all the Ministries/Departments are requested to keep a strict watch over compliance of the provisions of HBA rules by the loanee government employees by means of inspections at regular intervals of time as is done in case of insurance where review of insurance policies is required to be undertaken each year in the month of June/July followed by remedial action. While carrying out such periodical inspections, if any discrepancy with respect of mortgaging, recovery of HBA loan, etc. is noticed, the same should be taken up with the concerned loanee government servant for necessary remedial action at his/her end so that there is no room left for any violation/non-compliance of any of the provisions of HBA rules.

5. This issues with the approval of JS & FA.



(S.K. Grover)
Deputy Finance Adviser
Tel.No.2301-8691

To

1. All the Ministries/Departments of the Government of India
2. All the Attached and Sub-ordinate Offices of Ministry of Urban Development & Poverty Alleviation.
3. Union Territories of Andaman & Nicobar Islands, Chandigarh, Dadra & Nagar Haveli, Lakshadweep, Daman & Diu.
4. Office of the Comptroller & Auditor General of India.
5. Supreme Court of India.

**Frequently Asked Questions (FAQs) on
House Building Advance (HBA)**

Q.1 What is House Building Advance (HBA)?

A.1 House Building Advance (HBA) is a scheme regulated by Ministry of Housing & Urban Affairs that provides financial assistance to Central Government employees for constructing, purchasing, or expanding a house.

Q.2 Who is eligible for House Building Advance (HBA)?

A.2 Any permanent Central Government employee and other employees with a minimum of 5 years of continuous service, Employees on deputation, Members of All India Services, Employees of Union Territories.

Q. 3 Can both spouses apply for HBA if they are both Central Government employees?

A. 3 Yes, if both spouses are Central Government employees, HBA can be granted to both of them either jointly or separately, provided both are eligible under the rules.

Q. 4 What is the maximum loan amount under HBA?

A. 4 For constructing or purchasing a new house/flat: 34 months of basic pay, subject to a maximum of ₹25 lakhs or the cost of the house, whichever is lower.

For expansion of an existing house: 34 months of basic pay, subject to a maximum of ₹10 lakhs or the cost of expansion, whichever is lower.

Q. 5 What else other than 'Basic Pay' is part of 'Pay' in computing of House Building Advance as well as determining the cost ceiling limit and repaying capacity?

A.5 Family Pension at normal rates drawn by a Government servant
Non-practicing allowance sanctioned for medical posts

Q. 6 What is the cost ceiling for availing HBA?

A. 6 The cost of the house to be built or purchased should not exceed 139 times the basic pay of the employee, subject to a maximum of ₹1 crore. The cost ceiling can be relaxed up to 25% in certain cases with approval from the Head of the Department.

Q.7 How is repayment capacity calculated for HBA?

A.7 The repayment capacity is calculated based on the employee's remaining service years:

- For employees retiring after 20 years: Up to 40% of basic pay.
- For employees retiring in 10-20 years: Up to 40% of basic pay, and 65% of DCR Gratuity can be adjusted.
- For employees retiring in less than 10 years: Up to 50% of basic pay, with 75% of DCR Gratuity adjustable.

Q. 8 What is the interest rate for HBA?

A. 8 The interest rate for HBA is 7.44% for the financial year 2024-25. The rate is reviewed annually.

Q. 9 How is the HBA recovered?

A. 9 For purchasing a ready-built house: Recovery starts from the pay of the month following that in which advance is drawn.

For constructing a house: Recovery starts from the pay of the month following house completion or after 18 months from the first advance, whichever is earlier.

For purchasing land and constructing a house: Recovery starts from the pay of the month after house completion or after 24 months from the purchase of the plot, whichever is earlier.

Q. 10 What is the repayment period for HBA?

A. 10 The repayment period for HBA is 20 years, consisting of:
180 monthly installments (15 years) for repayment of the principal.
60 monthly installments (5 years) for repayment of interest.

Q.11 Can HBA be used to repay an existing home loan?

A. 11 Yes, HBA can be availed for repaying home loans taken from banks or other financial institutions for the construction/purchase of a house/flat subject to fulfillment of other extant conditions. However, the amount sanctioned will be limited to the outstanding loan amount.

Q. 12 What is the disbursement process for HBA?

A. 12

- For the purchase of a ready-built house, the advance is paid in one lump sum.
- For construction/expansion, HBA is disbursed in two installments: 50% initially and the balance when construction reaches the plinth level.
- In the case of advance for purchase of plot and construction of house:

Single Storeyed House:

Initial Advance: 40% of the advance

Subsequent Payments:

- First Instalment: 30% (after mortgage execution).
- Second Instalment: 30% (when construction reaches plinth level).

Double Storeyed House:

Initial Advance: 30% of the advance

Subsequent Payments:

- First Instalment: 35% (after mortgage execution).
- Second Instalment: 35% (when construction reaches plinth level).

Q. 13 What happens if an employee dies before repaying HBA?

A. 13 If an employee dies before repaying the advance, the balance is adjusted from the death-cum-retirement gratuity (DCRG) and no interest is charged on the amount of the advance thus adjusted against death-cum-retirement gratuity.

Q. 14 Can an employee apply for a second loan if the HBA isn't enough?

A. 14 Yes, employees can take a second loan from banks/other financial institutions after obtaining a No Objection Certificate (NOC) for the second charge, provided the total loan amount does not exceed cost ceiling of the house.

Q. 15 Can I mortgage my house with another financial institution while availing HBA?

A. 15 Yes, employees can declare a second charge to meet the balance cost of the house/plot from a recognized financial institution. However, the total loan from all sources should not exceed the cost ceiling defined under HBA rules.

Q. 16 Is insurance of the house mandatory?

A. 16 Yes, the employee must insure the house against fire, flood, and lightning for atleast the amount of the advance until the loan is fully repaid. Failure to do so will attract penal interest of 2%.

Q. 17 Can an employee under suspension apply for HBA?

A. 17 Yes, an employee under suspension can apply for HBA, but he/she must provide additional collateral security from two permanent Central Government employees.

Q. 18 Can I apply for a second HBA during my service?

A. 18 No, only one HBA is allowed to be sanctioned during the entire service period of a government employee.

Q. 19 Can I apply for HBA for building a second house if I already own one?

A. 19 No, if an applicant or his/her spouse owns a house in the same town or urban area, he/she not eligible for HBA. However, exceptions are made for properties that are coparcenary or joint family properties, but the advance in such cases is limited to 60% of the admissible amount.

Q. 20 Can HBA be used for the purchase of a flat from a private individual?

A. 20 No, HBA cannot be used to purchase a flat from private individuals. It can only be used for flats purchased from recognized entities like housing boards, development authorities, or registered builders etc.

Q. 21 Is there any priority for the sanction of HBA?

A. 21 Yes, priorities for sanctioning HBA are:

1. Construction cases where prior commitments have been made.
2. Employees nearing retirement.
3. Purchase of ready-built flats where delay could result in cancellation of the offer or forfeiture of earnest money.

- Q. 22 Is HBA available for the renovation or improvement of an existing house?**
- A. 22** No, HBA is not available for minor renovation, repair, or improvement of an existing house. It is only available for expansion of living accommodation of an existing house owned by the employee or jointly with spouse.
- Q. 23 Can I use HBA for the purchase of a plot alone?**
- A. 23** No, HBA is not sanctioned for the purchase of a plot alone. The advance is only provided for the purchase of a plot along with construction, or for constructing a house on a plot that the employee already owns.
- Q. 24 What happens if the construction is not completed within the stipulated time?**
- A. 24** If the construction is not completed within the stipulated time, the Government employee will be liable to refund the entire amount advanced to him/her together with interest thereon in one lumpsum. An extension of time limit may be allowed up to one year by Head of the Department and for a longer period by Government in those cases where the work delayed due to circumstances beyond the control of the Government employee.
- Q. 25 Can I sell the house built or purchased with HBA before repaying the loan?**
- A. 25** No, the house built or purchased using HBA cannot be sold or transferred until the entire loan, including interest, is repaid in full. If an employee wants to sell the house, prior permission from the competent authority is required, and the outstanding amount must be cleared.
- Q. 26 Can I apply for HBA after superannuation/retirement?**
- A. 26** No, HBA cannot be applied for after superannuation/retirement
- Q. 27 Is there a provision for premature repayment of HBA?**
- A. 27** Yes, premature repayment of HBA is allowed.
- Q. 28 Can I combine HBA with loans from banks or other financial institutions?**
- A. 28** Yes, employees can combine HBA with loans from banks or financial institutions to meet the total cost of construction or purchase, provided the total amount does not exceed the cost ceiling. HBA will be treated as the first charge on the property and additional loans will be treated as a second charge.

Q. 29 What is the process for mortgaging the property to the government?

A.29 Once the house is purchased or constructed, it must be mortgaged in favor of the President of India as security for the repayment of the HBA. This mortgage is required to be registered with the local registration authorities.

Q. 30 Can HBA be availed for the purchase of agricultural land?

A. 30 No, HBA cannot be used for the purchase of agricultural land. It is strictly for the construction or purchase of residential houses/flats.

Q. 31 Can HBA be availed for construction of residential portion on a shop-cum-residential plot?

A. 31 Yes, HBA may be grant for construction of only the residential part of the building on a shop-com-residential plot situated in any residential colony with the conditions that-

- For cost ceiling, cost of land and cost of superstructures including the shop(s) and the proposed residential portion will be taken into account.
- The Government employee will mortgage the entire property.
- The Government employee will have to insure the whole building.

Q. 32 What happens if an employee is transferred after availing HBA?

A. 32 If an employee is transferred after availing HBA, the recovery of the advance will continue from the new place of posting.

Q. 33 Who will bear Stamp duty on Mortgage Deed and Reconveyance Deed?

A. 33 Stamp duty on Mortgage Deed and Reconveyance Deed, wherever charged, has to be borne by the loanee Government servant.

Q. 34 Is a Government employee eligible for HBA for the purpose of repayment of home loan taken against purchase of resale property?

A. 34 No, HBA can be granted neither for purchase nor for repayment of home loan taken against purchase of resale property.